

for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

3862. Also, petition of Lucy Hopkins and other members of the Walnut (Ill.) Chapter of the Woman's Christian Temperance Union, asking for maintenance of the prohibition law and its enforcement and against any measure looking toward its modification, resubmission to the States, or repeal; to the Committee on the Judiciary.

3863. Also, petition of Herman Herren and 25 other citizens of Pekin, Ill., asking for passage of House bill 7230, a bill granting uniform pensions to widows, children, and dependent parents of veterans of the various wars in which the United States has participated; to the Committee on Pensions.

3864. By Mr. JOHNSON of Texas: Petition of Beauford H. Jester, of Corsicana, Tex., and Messrs. Doyle & Woods, of Teague, Tex., favoring Federal legislation to regulate interstate freight by motor trucks; to the Committee on Interstate and Foreign Commerce.

3865. Also, petition of Charlie Allen and Earnest Soloman, of Oakwood, Tex., favoring immediate cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

3866. By Mr. KELLER: Petition of Ezra J. Miller Post, No. 604, American Legion, Tamaroa, Ill., urging the passage of the Gasque bill, and any other legislation favorable to the immediate payment of the bonus; to the Committee on Ways and Means.

3867. Also, petition of the Illinois Petroleum Marketers Association, of Springfield, Ill., urging the passage of a bill levying a tariff on the importation of petroleum products into this country; to the Committee on Ways and Means.

3868. By Mr. KENNEDY: Petition of the Legislature of the State of New York, memorializing Congress to enact legislation amending section 5219 of the United States Revised Statutes; to the Committee on the Judiciary.

3869. Also, petition of the Legislature of the State of New York, memorializing Congress to enact legislation providing for substantial increase in the rates of the Federal estate tax; to the Committee on Ways and Means.

3870. By Mr. RUDD: Petition of Raymond T. Rich, director, American Committee on the Far Eastern Cities, and sundry citizens of the United States; to the Committee on Foreign Affairs.

3871. Also, petition of the Merchants Association of New York, opposing the passage of House bill 7233; to the Committee on Insular Affairs.

3872. Also, petition of F. H. Sexauer, president Dairymen's League, opposing any reduction in budgets for agriculture; to the Committee on Appropriations.

3873. Also, petition of World Trade League of the United States, New York section, favoring reciprocal tariff agreements, preferably along nonpartisan lines and confined to the reciprocity issue to permit prompt passage; to the Committee on Ways and Means.

3874. Also, petition of Central Trades and Labor Council of Greater New York and vicinity, favoring the passage of the Norris-LaGuardia injunction relief bill; to the Committee on the Judiciary.

3875. By Mr. SINCLAIR: Petition of A. M. Engeberg and 71 residents of Tolley, N. Dak., and vicinity, protesting against compulsory Sunday observance legislation; to the Committee on the District of Columbia.

3876. By Mr. SUMMERS of Washington: Petition signed by Mrs. Claudine Knight and 24 other adult residents of Harper, Wash., protesting against the enactment of the compulsory Sunday observance bill (S. 1202); to the Committee on the District of Columbia.

3877. By Mr. THOMASON: Petition from officers and directors of Texas Livestock Marketing Association, protesting cut in appropriations for Federal Farm Board and any action on part of Congress that would cripple the board in carrying out purposes of the agricultural marketing act; to the Committee on Agriculture.

3878. Also, resolution of the City Council of El Paso, Tex., urging Congress to pass reasonable and adequate laws regulating interstate traffic of motor busses and trucks operating as common carriers; to the Committee on Interstate and Foreign Commerce.

3879. Also, petition of the Hon. C. B. Metcalfe, of San Angelo, Tex., on the status of the Federal Farm Board; to the Committee on Agriculture.

3880. By Mr. THURSTON: Petition signed by 35 citizens of Clarke County, Iowa, opposing the passage of Senate bill 1202, Sunday observance bill, providing for the closing of barber shops on Sunday in the District of Columbia; to the Committee on the District of Columbia.

3881. By Mr. TIMBERLAKE: Petition of Young Woman's Missionary Society of Loveland, Colo., protesting against submitting the eighteenth amendment to the States for a referendum vote; to the Committee on the Judiciary.

3882. Also, petition of Atwood Woman's Christian Temperance Union, Atwood, Colo., protesting against submission of the eighteenth amendment to the States for a referendum vote; to the Committee on the Judiciary.

3883. By Mr. WELCH of California: Petition of Board of Supervisors of the City and County of San Francisco, opposing reductions in Army appropriations bill; to the Committee on Appropriations.

3884. Also, memorial of Board of Supervisors of the City and County of San Francisco, asking Congress to take immediate steps to provide sufficient funds to adequately man San Francisco Bay and other cities of the Pacific coast fortifications; to the Committee on Appropriations.

3885. By Mr. WIGGLESWORTH: Petition of Bessie N. Pettengill, secretary, Wollaston, Mass., Woman's Christian Temperance Union, and sundry citizens of Quincy, Mass., urging the maintenance of the prohibition law and its enforcement and opposing any measure looking forward toward its modification, resubmission to the States, or repeal; to the Committee on the Judiciary.

3886. By Mr. WILLIAMS of Texas: Petition of R. E. Bell and 200 others, against consideration of resolution to re-refer eighteenth amendment; to the Committee on the Judiciary.

3887. By the SPEAKER: Petition of the clerk of board of supervisors, San Francisco, Calif., opposing reductions in Army appropriation bill before present session of Congress; to the Committee on Appropriations.

## SENATE

WEDNESDAY, MARCH 9, 1932

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

Almighty God, Thou infinite source of life and love, who art perfect in holiness, yet boundless in mercy; forgive our manifold transgressions of Thy righteous law which Thou hast written in our hearts and bathe the soul of this Nation in the dew of Thy grace as in the renewing fountains of the eternal dawn. Remove the cloud of sorrow that overshadows us with poignancy of grief and grant that the Nation's sympathy may comfort those who keep love's holy vigil in anguished hours of waiting, till in Thy love and mercy the blessed child is restored once more to the loving hearts and aching arms of those in whose behalf we offer up united prayers.

Comfort all who mourn and are oppressed, raise up all who are fallen, heal and restore the sick, pierce with Thy love every lingering hate, that evil may be done away and that we, Thy children, may live the true life of to-day, unwounded by the arrows of unhappy yesterdays, looking unto Thee in perfect trust for to-morrow's golden peace. We ask it in the name of Jesus Christ our Lord. Amen.

## THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the calendar days of Monday, March 7, and

Tuesday, March 8, when, on request of Mr. Fess and by unanimous consent, the further reading was dispensed with and the Journal was approved.

#### CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Jones	Robinson, Ind.
Austin	Cutting	Kean	Schall
Bailey	Dale	Kendrick	Sheppard
Bankhead	Davis	Keyes	Shipstead
Barbour	Dickinson	King	Shortridge
Barkley	Dill	La Follette	Smith
Bingham	Fess	Lewis	Smoot
Black	Fletcher	Logan	Stelwer
Blaine	Frazier	McGill	Thomas, Idaho
Borah	George	McKellar	Thomas, Okla.
Bratton	Glass	McNary	Townsend
Brookhart	Glenn	Metcalf	Trammell
Broussard	Goldsborough	Moses	Tydings
Bulkeley	Gore	Neely	Vandenberg
Bulow	Hale	Norbeck	Wagner
Byrnes	Harrison	Norris	Walcott
Capper	Hastings	Nye	Walsh, Mont.
Carey	Hawes	Oddle	Watson
Connally	Hayden	Patterson	Wheeler
Coolidge	Hebert	Pittman	White
Copeland	Howell	Reed	
Costigan	Johnson	Robinson, Ark.	

Mr. McKELLAR. The junior Senator from Tennessee [Mr. HULL] is detained on account of illness. This announcement may stand for the day.

Mr. GEORGE. My colleague the senior Senator from Georgia [Mr. HARRIS] is still detained from the Senate because of illness. I will let this announcement stand for the day.

Mr. GLASS. I wish to announce that my colleague the senior Senator from Virginia [Mr. SWANSON] is absent in attendance upon the disarmament conference at Geneva.

Mr. SHEPPARD. I desire to announce that the Senator from Louisiana [Mr. LONG] is necessarily out of the city.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed a bill (H. R. 5315) to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 28) to publish a comparative print of the bill (H. R. 10236) entitled "The revenue bill for 1932" as reported to the House, showing the changes to existing law, as a House document, in which it requested the concurrence of the Senate.

#### ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1861. An act authorizing the George Washington Bicentennial Commission to print and distribute additional sets of the writings of George Washington;

S. 2985. An act granting the consent of Congress to the Connecticut River State Bridge Commission, a statutory commission of the State of Connecticut created and existing under the provisions of Special Act No. 496 of the General Assembly of the State of Connecticut, 1931 session, to construct, maintain, and operate a bridge across the Connecticut River; and

S. 3132. An act to extend the times for the commencement and completion of the bridge of the county of Norman and the town and village of Halstad, in said county, in the State of Minnesota, and the county of Traill and the town of Herberg, in said county, in the State of North Dakota, across the Red River of the North on the boundary line between said States.

#### PETITIONS AND MEMORIALS

Mr. JONES presented a petition of sundry citizens of Olympia, Wash., praying for the prompt ratification of the World Court protocols, which was referred to the Committee on Foreign Relations.

Mr. CAPPER presented a resolution adopted by Cherokee Lodge, No. 370, Brotherhood of Railroad Trainmen, of Parsons, Kans., favoring the passage of Senate bill 2793, providing for the Federal regulation of motor-vehicle traffic, which was referred to the Committee on Interstate Commerce.

Mr. BARBOUR presented resolutions adopted by the Rotary Club of Hackensack, N. J., favoring the passage of the so-called Patterson-Cochran bill, making kidnaping or abduction a Federal crime, with capital punishment therefor, which were referred to the Committee on the Judiciary.

Mr. SHEPPARD presented a memorial, in the form of a resolution (containing 341 signatures), of members of the South End Woman's Christian Temperance Union and other citizens of Houston, Tex., remonstrating against the proposed resubmission of the eighteenth amendment of the Constitution to the States, and favoring the making of adequate appropriations for law enforcement and education in law observance, which was referred to the Committee on the Judiciary.

Mr. BROOKHART presented a memorial of sundry citizens of Sharpsburg and vicinity, in the State of Iowa, remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia or other restrictive religious measures, which was referred to the Committee on the District of Columbia.

Mr. WALCOTT presented petitions and papers, in the nature of petitions, of the Leagues of Women Voters of New Haven and West Hartford, and sundry citizens of Westport, all in the State of Connecticut, praying for the prompt ratification of the World Court protocols, which were referred to the Committee on Foreign Relations.

He also presented resolutions adopted by groups of the Polish National Alliance of Derby and Stamford, in the State of Connecticut, favoring the passage of legislation providing that October 11 in each year be proclaimed General Pulaski's Memorial Day, which were referred to the Committee on the Judiciary.

He also presented a letter, in the nature of a petition, from the Windsor (Conn.) Chamber of Commerce, praying for the passage of the so-called Hayden bill, being the bill (S. 1653) to prohibit the sending of unsolicited merchandise through the mails, which was referred to the Committee on Post Offices and Post Roads.

He also presented memorials and papers, in the nature of memorials, of the Woman's Christian Temperance Unions of Yalesville and Meriden, and Norden Lodge of the International Order of Good Templars, of New Britain, all in the State of Connecticut, remonstrating against the proposed resubmission of the eighteenth amendment of the Constitution to the States, or the modification or repeal of the Volstead Act, which were referred to the Committee on the Judiciary.

He also presented a letter in the nature of a petition from District No. 2, Department of Connecticut, the American Legion, New Haven County, Conn., praying for the passage of the bill (S. 51) to authorize the building up of the United States Navy to the strength permitted by the Washington and London naval treaties, which was ordered to lie on the table.

He also presented a letter in the nature of a petition from the Unit of Campilio-Holmes Post, No. 123, the American Legion Auxiliary, of Rocky Hill, Conn., praying for the passage of the bill (S. 51) to authorize the building up of the United States Navy to the strength permitted by the Washington and London naval treaties, and also the establishment of a World War Veterans' Committee of the Senate, which was ordered to lie on the table.

Mr. COPELAND presented resolutions adopted by the American Fruit and Vegetable Shippers' Association at Chicago, Ill., opposing the Government engaging in any or

all forms of business enterprise in competition with the people, and favoring the placing of motor truck and bus transportation under reasonable regulation, which were referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by the American Fruit and Vegetable Shippers' Association at Chicago, Ill., favoring a substantial and immediate reduction in governmental expenditures, and the holding of the heads of the various departments strictly responsible for the accomplishment of greater economy and efficiency in the use of public revenues, which was referred to the Committee on Finance.

#### THE TRAFFIC IN NARCOTIC DRUGS

Mr. WAGNER. Mr. President, I present and ask to have printed in the RECORD and appropriately referred a resolution adopted by the Kiwanis Club of Troy, N. Y., favoring the prompt ratification of the Geneva convention to limit the manufacture of dangerous narcotic drugs.

There being no objection, the resolution was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

Resolution adopted by the Kiwanis Club of Troy, N. Y., on March 3, 1932

Whereas the Geneva treaty convention of 1931, negotiated by delegates from 57 nations, limits the manufacture of dangerous narcotic drugs to the amount required for legitimate and scientific purposes, and prescribes measures of national control necessary for carrying out the provisions of the convention; and

Whereas the illicit narcotic drug traffic, through world-wide smuggling operations and its armies of drug addict slaves, is extorting from society annually hundreds of millions of dollars, laying upon mankind an incalculable economic burden and a tragic burden of suffering, degeneracy, and crime, endangering the public health, the public morals, and the public safety, menacing the foundations of modern civilization: Therefore be it

Resolved, That the illicit narcotic drug traffic should be placed in the same category as piracy and destroyed, and to this end we petition the Congress of the United States for prompt and effective action in the necessary ratification of the Geneva convention and enactment of legislation for its enforcement, and we also petition the Legislature of the State of New York for the enactment as soon as practicable of an adequate defense law to put into operation the full police power of the State.

#### THE WORLD COURT

Mr. FLETCHER. Mr. President, I present a letter from the Miami (Fla.) Woman's Club, inclosing a resolution on the subject of the World Court, which I ask may be printed in the RECORD and appropriately referred.

There being no objection, the matter was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

MIAMI, FLA., February 25, 1932.

Senator DUNCAN U. FLETCHER,

Washington, D. C.

DEAR SIR: At the regular meeting of the board of directors of the Miami Woman's Club, I was instructed to send to you the inclosed resolution and to ask you to give this matter your especial attention in order to hasten the action of the Committee on Foreign Relations in bringing the matter of the World Court before the Senate at the earliest possible date.

Trusting that you will take favorable action in this matter, I am,

Very truly yours,

Mrs. F. H. Wood,

Corresponding Secretary Miami Woman's Club.

Resolved, That the Miami Woman's Club, of Miami, Fla., requests the Foreign Relations Committee of the Senate to report out the World Court protocols at its earliest opportunity in order that the United States Senate may place the subject of the World Court on the calendar and take action thereon.

THE MIAMI WOMAN'S CLUB,

By Mrs. HICKS ALLEN, President.

By Mrs. STEPHEN C. SINGLETON, Secretary.

(Copy of resolution passed at the regular meeting of the Miami Woman's Club, of Miami, Fla., February 23, 1932.)

#### PROPOSED FEDERAL GASOLINE TAX

Mr. BARBOUR. Mr. President, I present a letter from Hon. A. Harry Moore, Governor of the State of New Jersey, protesting against the imposition of a Federal gasoline tax. I request that the letter may be printed in the RECORD and referred to the Committee on Finance.

There being no objection, the letter was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

STATE OF NEW JERSEY,  
EXECUTIVE DEPARTMENT,  
March 4, 1932.

HON. W. WARREN BARBOUR,

Senate Office Building, Washington, D. C.

MY DEAR SENATOR: I am writing to protest against the imposition of a Federal tax on gasoline. This is a subject of taxation by the States, and for the Federal Government to impose this tax would interfere very seriously with New Jersey as well as with other States.

Just at present we are in need of funds as much as, or even more so, than the United States Government, and an additional tax by the Government would be disastrous.

On behalf of the State of New Jersey I wish to enter a vigorous protest against the levying of such a tax at this time.

Very truly yours,

A. HARRY MOORE, Governor.

#### PROPOSED SALES TAX BILL

Mr. GOLDSBOROUGH. Mr. President, I ask to have printed in the RECORD an editorial appearing in the Baltimore Sun of this morning relating to the pending or proposed tax bill.

There being no objection, the editorial was ordered to lie on the table and be printed in the RECORD, as follows:

[From the Baltimore Sun, Wednesday, March 9, 1932]

#### A REVOLUTIONARY TAX BILL

In the effort to repair the wreckage which a \$900,000,000 deficit last year and a threatened deficit of \$3,000,000,000 this year are causing in Federal finances, the Ways and Means Committee has framed a new revenue bill in which the manufacturers' sales tax is by all odds the most important single levy.

We have had numerous increases in the income tax before and we have had stiff estates taxes buttressed by a gifts tax before. What we have never had is a general sales tax, and the inauguration of such a levy is a fiscal landmark comparable in importance with the adoption of the first constitutional income tax in 1913. In the one case as in the other, an important new source of revenue is opened up for Federal exploitation, the potentialities of which are likely to play an important part in our fiscal history for many years to come.

But whereas years of agitation preceded the adoption of the income-tax amendment and the income tax itself (years in which the merits and the demerits of the tax were carefully canvassed) the manufacturers' sales tax springs full grown from the Jovian brows of the Ways and Means Committee. Three months ago it was scarcely considered as a potential source of Federal revenue. To-day it forms the backbone of the Budget-balancing tax bill and is expected to produce the astounding sum of \$595,000,000 in the very first year of its operation.

When it is recalled that the income tax was introduced in a modest form that yielded only \$71,000,000 in the first year of its existence, the debut of the manufacturers' sales tax appears the more impressive. If a 2½ per cent tax can safely be expected to bring in nearly \$600,000,000 a year with business conditions what they are, what might not such a tax produce in a normally prosperous year such as we had in 1928? And what would be the result if the rate were to be doubled?

If it were not for the urgent emergency with which the Treasury is confronted, the introduction of such a drastic tax on such short notice would be unthinkable. Not only does it open up enormously productive potentialities. It also relegates to a secondary position income as a measure of the taxpayer's capacity to pay and makes consumption the principal basis of Federal taxation. It was to escape just such an emphasis on consumption that the income tax was adopted.

The only possible excuse for such an abrupt change in the direction of our tax policy is that the revenues needed to balance the budget can be obtained in no other practicable way. On this point the members of the Ways and Means Committee, after exhaustive investigation, are satisfied. But it must be remembered that in arriving at this conclusion the Ways and Means Committee ruled out of consideration any attempt to legalize 2.75 per cent beer and to levy a special excise on that particular beverage.

Whether they have accurately assessed the temper of Congress and of the country in this regard remains to be disclosed when the issue comes up on the floor of the House. It is safe to say that if such a beverage could be legalized and subjected to a tax, the general sales tax would lose much of its claim to inevitability. It also goes without saying that if, under the eighteenth amendment, we had not surrendered the right to tax the admittedly huge business in spirituous liquors, there would be no need for the sales tax at all.

However, if the beer tax does not materialize, the general sales tax may in the end have to be accepted.

But it is at least worth while to canvass the situation again in the debates in the House and Senate. And, should the manufacturers' sales tax in the end prove inevitable, it ought to be accepted with a full recognition of all the drawbacks and all the enormous potentialities it may entail.

Patterning our proposed tax after the Canadian levy, the Ways and Means Committee has done everything possible to prevent the pyramiding which constitutes the vice of the sales tax as

administered in France and in other countries where it occupies an important place in the revenue system. Under the Canadian system and under the one to which we propose to adhere all manufacturers doing a business of \$20,000 a year or more would be licensed, and sales from one licensed manufacturer to another would not be taxable. The tax would accrue only where some licensed manufacturer sold to some unlicensed person, or, in other words, to some person not a manufacturer. This arrangement has effectively prevented pyramiding in Canada, and it may reasonably be expected to do the same here.

But while pyramiding of taxes may be prevented by the licensing system, it can hardly be expected to prevent a moderate amount of pyramiding of prices. Under a system in which the tax accrues whenever a manufacturer sells to a distributor, the distributor's cost will be the manufacturer's price plus the tax. And since the distributor figures his profit on the basis of his own cost his profit with the tax in effect will be figured on a sum two and one-quarter per cent larger than would be the case if the tax were not there. For example, if a manufacturer's selling price for a specified article is \$100, the distributor's cost price would be \$102.25, and the distributor's profit would be figured on the latter sum.

Similarly, where a distributor sells to a retailer the retailer's cost price will be advanced as a result of the tax by an even larger percentage, with the result that the final selling price under the tax may easily be 5 per cent or more above what it would otherwise be.

Under the existing Canadian system the price increases appear to have been accepted without outcry. Since the tax is assessed against the manufacturer and not against the retailer, it is not brought to the customer's attention as State gasoline taxes are. Hence there is no great amount of consumer complaint against the tax and no evidence to indicate that it has seriously interfered with the course of business.

Observers of the Canadian tax have pointed out that it falls primarily on middle-sized manufacturers and producers. The small producers, who are the farmers, and the group of large producers, in which mines and public utilities are included, are, according to Dr. Thomas S. Adams, of Yale University, not affected. The tax which the Ways and Means Committee has drawn appears to have a similar incidence. Farm products are exempt, and there appears to have been no attempt to reach the utilities or the mines. Whether in the interest of fairness the group of large producers might not also be taxed is one of the questions to which Congress will need to devote some attention.

While the sales tax is the most important single feature of the new revenue bill, it is not the only feature that calls for attentive consideration in Congress and the country.

Important questions also arise in connection with the new income-tax schedule. In practically doubling the existing surtaxes, the committee has arranged a system of progression under which the income taxes will rise sharply through the lower and intermediate brackets to a maximum of 40 per cent at \$100,000. Beyond that point there are no further increases. It is seriously to be questioned whether this arrangement does not impose an undue burden on the business initiative and energy which are represented in the lower and intermediate brackets of the income-tax structure and too light a burden on the accumulated wealth represented in the extremely high brackets.

A somewhat similar consideration arises in connection with the reduction in the credit for earned incomes to 12½ per cent instead of the 25 per cent allowed under the old law. This change sharply reduces the advantage formerly allowed to a class of taxpayers who are under a far greater necessity of putting a portion of their income into savings than the more favored class in possession of unearned incomes. Before Congress finally disposes of the revenue bill a careful assessment of these two features of the new income levy will be in order to see whether greater advantages can not be accorded energy and initiative without substantial loss of public revenue.

In the process it might also be advisable to reconsider the sections of the committee bill dealing with the capital-gains tax. In its desire to check the practice of selling securities at a depreciated price solely to establish losses for income-tax purposes, the committee has introduced into the bill provisions limiting the deductions for capital losses on stocks and bonds in any one year to the amount of capital gains registered in the same year. While in practice these sections may have an altogether desirable result in the next few years, they are founded on the false theory that capital losses can be treated differently for purposes of taxation from capital gains.

Another point for serious consideration is to be found in the unusual relationship established in the new bill between the estates tax and the gifts tax. The estates-tax rates now in effect are doubled in the new bill, while credits on estates taxes paid to the States are held to the same figures provided in the revenue act of 1926. There can be no question as to the fairness of this arrangement to the States. The Federal Government, under the committee plan, would still allow the States as much as it promised to allow them six years ago, and the States could have no ground for protest.

But there is a strong possibility that the new gifts tax will operate to deprive the States of the advantages they now enjoy under the terms of the estates tax. The gift-tax rates are fixed so that they will be 25 per cent below the new estate-tax rates. This arrangement constitutes a standing invitation to the possessors of large estates to distribute their property by gift while they

are still living instead of waiting to bequeath it by will at the time of death. Property distributed by gift would escape the estates taxes, which carry a maximum rate of 40 per cent above \$10,000,000 and would be subject only to the gift tax, on which the maximum rate—also applicable above \$10,000,000—is but 30 per cent.

Unless wealthy individuals are blind to the advantages of this invitation, it will tend to promote the breaking up of large estates by gift, on the taxing of which there are no reciprocal arrangements between the State and Federal Governments. That the procedure will work to the disadvantage of the States is hardly open to question, and it would seem to be incumbent on the House and the Senate to consider whether it is advisable to place the States under this handicap at a time when, like the Federal Government, they are seriously pressed for revenue.

#### REDUCTION OF GOVERNMENTAL COSTS AND EXPENSES

Mr. ROBINSON of Arkansas. Mr. President, I ask leave to have printed in the RECORD a very intelligent and comprehensive statement touching proposals for the reduction of governmental costs and expenses.

There being no objection, the statement was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

TILLAR, ARK., March 3, 1932.

HON. JOE T. ROBINSON,

Washington, D. C.

DEAR SENATOR: I am wondering if you would like to know just what one common, everyday salaried man is thinking about all this fuss about our unbalanced budget, both State and National. It seems to me that instead of hunting something else to clap a tax on, we ought to reduce the expense of Government. We have too much government, too many bureaus, etc. Too many people on the national pay roll. My salary has been cut 33½ per cent, and I am not kicking, because I think it right in such a depression as we are in now. When my expenses go above my income I just cut expenses and come out all right. If that works with the individual, why won't it work with the Nation?

I tell you, Senator, we common people are getting tired of such high taxes, and yet they are planning to raise them higher still. Well, I don't see what else they can tax here in Arkansas unless it is the air we breathe. I own my home, and the taxes, insurance, etc., are so high that I believe it would be cheaper for me to rent. Some of our people are delinquent, and, to be frank, I don't see where they will get money to pay their taxes at all. In times like these the watchword should be economy. The main trouble with us is that we as individuals and a nation have lived or spent beyond our means. And the sooner we regain our senses the sooner we'll get out of this pinch. So, Mr. Senator, let's cut expenses in every legitimate way we can. Pardon me for writing. I just thought you would like to know what they are thinking back home. We all are proud of you and believe you will act for the best interest of us all.

Yours very truly,

R. B. MCCAIN.

#### PROPOSED TARIFF ON COPPER

Mr. KING presented a resolution adopted by members of the Utah State Press Association, favoring the imposition of a tariff on raw copper, which were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

The copper-mining industry of Utah, Arizona, Montana, Michigan, and many other States and communities is practically suspended, and threatened with complete extinction.

This condition has been brought about by the unlimited and unrestricted competition of foreign copper, produced from rich ores by cheap labor under conditions of actual peonage and proximate slavery.

As a result 2,200 families, or about 10,000 persons, are destitute at Butte, Mont., looking to charity for food, clothing, shelter, and medical attention; about 17,000 are in the same condition in the copper-mining communities of Arizona, and in our own county of Salt Lake there are 35,000 persons whose immediate needs are a public problem. A fund of \$100,000 is being raised at Salt Lake City for the benefit of the unemployed. Situations are similar in other mining districts.

The production and consumption of copper within the United States are practically in balance when American mines are producing normally, a condition that assures the successful protection of this basic industry if an adequate tariff was in force.

American copper miners, American copper companies, the entire business, labor, and social structure that is dependent upon the copper industry should be afforded ample tariff protection.

The revival and maintenance of the American copper industry by the enactment of an adequate tariff is absolutely essential, from the standpoint of economic readjustment; of the reemployment of many thousands; the reestablishment of thousands of businesses dependent directly on the industry; the revival of hundreds of mining communities and the reestablishment of business and taxable values; the resumption of production in order that the copper-mining industry may resume the payment of taxes necessary to maintain government within the many copper-producing areas; the reestablishment of markets for farm products in the copper-mining communities; and also from the standpoint

of its vital importance to national defense, the necessity for which may arise at any moment from disturbed world conditions.

For these reasons, we, the members of the Utah State Press Association, do hereby resolve that it is urgently necessary that the present Congress enact an adequate tariff on raw copper, and that we urge upon our Representatives in Congress, and upon all Members of Congress who have the prosperity of this country, the employment of its people, and the protection of our country at heart that they actively support the enactment of such a copper tariff by this session of Congress; and we do further

Resolve, That copies of this resolution be sent to our Representatives, to any Representatives from other States known to our members, to the President of the United States, and to the press.

UTAH STATE PRESS ASSOCIATION,  
By L. L. TAYLOR, President,  
HOWARD A. JONES, Secretary.

#### REPORTS OF COMMITTEES

Mr. MCGILL, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 266) to provide for an investigation and report of losses resulting from the campaign for the eradication of the Mediterranean fruit fly, reported it with amendments and submitted a report (No. 404) thereon.

Mr. VANDENBERG, from the Committee on Commerce, to which was referred the bill (S. 3836) to authorize the construction of a temporary railroad bridge across Pearl River at a point in or near the northeast quarter section 11, township 10 north, range 8 east, Leake County, Miss., reported it with an amendment and submitted a report (No. 405) thereon.

Mr. JONES, from the Committee on Appropriations, to which was referred the bill (H. R. 9349) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1933, and for other purposes, reported it with amendments and submitted a report (No. 406) thereon.

Mr. ODDIE, from the Committee on Irrigation and Reclamation, to which was referred the bill (S. 3744) for the construction of a reservoir in the Little Truckee River, Calif., and for such dams and other improvements as may be necessary to impound the waters of Webber, Independence, and Donner Lakes, and for the further development of the water resources of the Truckee River, reported it without amendment and submitted a report (No. 407) thereon.

Mr. DICKINSON, from the Committee on Military Affairs, to which was referred the bill (S. 1295) for the relief of Willie Hutchinson, reported it with an amendment and submitted a report (No. 408) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 1719) amending the act of Congress entitled "An act authorizing the Wichita and affiliated bands of Indians in Oklahoma to submit claims to the Court of Claims," approved June 4, 1924, reported it with an amendment and submitted a report (No. 409) thereon.

#### MUSCLE SHOALS

Mr. NORRIS. Mr. President, from the Committee on Agriculture and Forestry I report back favorably without amendment the joint resolution (S. J. Res. 15) to provide for the national defense by the creation of a corporation for the operation of the Government properties at and near Muscle Shoals, in the State of Alabama, to authorize the letting of the Muscle Shoals properties under certain conditions, and for other purposes.

I ask unanimous consent that I may have until next Monday to file a written report.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

#### EXECUTIVE REPORTS OF THE POST OFFICE COMMITTEE

As in executive session,

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters, which were placed on the Executive Calendar.

#### BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WAGNER:

A bill (S. 3997) for the relief of Hilda Barnard; to the Committee on Claims.

By Mr. JONES:

A bill (S. 3998) approving and confirming contract for apportionment of waters of Ahtanum Creek, Wash., between Yakima Indian Reservation and lands north thereof, dated May 9, 1908; to the Committee on Irrigation and Reclamation.

By Mr. MOSES:

A bill (S. 3999) for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of catastrophes of nature; to the Committee on Foreign Relations.

By Mr. BULKLEY:

A bill (S. 4000) granting a pension to Mary C. Smith; to the Committee on Pensions.

By Mr. COPELAND:

A bill (S. 4001) for the relief of the Isbrandtsen-Moller Co. (Inc.); to the Committee on Claims.

A bill (S. 4002) for the relief of William W. Giles, deceased; to the Committee on Military Affairs.

By Mr. GLASS:

A bill (S. 4003) authorizing the Court of Claims to hear and determine the claim of Central Romana (Inc.), and to render judgment for just compensation;

A bill (S. 4004) authorizing the Court of Claims to hear and determine the claim of Ingenio Porvenir C. por A., and to render judgment for just compensation; and

A bill (S. 4005) to compensate Prince William County, Va., and York County, Va., for certain of their public roads and highways seized by the United States for the use of a permanent Marine Corps post at Quantico, Va., and a Navy mine depot at or near Yorktown, Va.; to the Committee on Claims.

A bill (S. 4006) to pay the agreed purchase price due from the United States to various individuals for certain lands, comprising 5,000 acres, embraced within the area now occupied by the United States Marine Corps post at Quantico, Va.; to the Committee on Naval Affairs.

By Mr. SMITH:

A joint resolution (S. J. Res. 116) relating to the allocation of funds to the Secretary of Agriculture under the Reconstruction Finance Corporation act; to the Committee on Agriculture and Forestry.

#### ALLOCATION OF FUNDS TO SECRETARY OF AGRICULTURE

Mr. SMITH, subsequently, from the Committee on Agriculture and Forestry, to which was referred the joint resolution (S. J. Res. 116) relating to the allocation of funds to the Secretary of Agriculture under the Reconstruction Finance Corporation act, reported it without amendment.

#### EMERGENCY HIGHWAY CONSTRUCTION—AMENDMENTS

Mr. BULKLEY, Mr. BARKLEY, and Mr. BYRNES each submitted an amendment intended to be proposed, respectively, to the bill (H. R. 9642) to authorize supplemental appropriations for emergency highway construction with a view to increasing employment, which were severally ordered to lie on the table and to be printed.

#### AMENDMENTS TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. COSTIGAN submitted amendments intended to be proposed by him to House bill 8397, the Interior Department appropriation bill, which were ordered to lie on the table and to be printed, as follows:

Under the heading "Howard University"—

On page 109, line 15, strike out "\$450,000" and insert "\$475,000" in lieu thereof.

On page 109, line 21, strike out "\$225,000" and insert "\$275,000" in lieu thereof.

On page 109, lines 22-24, both inclusive, substitute for the committee amendment the following:

"For construction and completion of a heat, light, and power plant at Howard University, \$460,000, to be immediately available."

#### CHANGE OF REFERENCE

On motion of Mr. REED, the Committee on Military Affairs was discharged from the further consideration of the

bill (S. 2248) for the relief of Alexander M. Simons, and it was referred to the Committee on Claims.

#### ACCEPTANCE OF TABLET OF ESCUTCHEONS OF THE WASHINGTON AND STANDISH FAMILIES

Mr. FESS submitted the following concurrent resolution (S. Con. Res. 20), which was referred to the Committee on the Library:

*Resolved by the Senate (the House of Representatives concurring).* That the Joint Committee on the Library is authorized and directed to accept, on behalf of the United States, from J. E. Aldred and Henry J. Fuller, of New York City, the gift of a stone tablet, formerly in Duxbury Hall, Chorley, England, and dated 1622, bearing the conjoined escutcheons of the Washington and Standish families, and thereby showing a family connection between representatives of the earliest Southern Colony and the earliest New England Colony. Such tablet shall be placed in such part of the Capitol as the committee may deem suitable.

#### UNVEILING OF STATUES OF JUNIPERO SERRA AND THOMAS STARR KING IN STATUARY HALL

Mr. SHORTRIDGE submitted the following concurrent resolution (S. Con. Res. 21), which was referred to the Committee on Printing:

*Resolved by the Senate (the House of Representatives concurring).* That there be printed, with illustrations and bound, 5,000 copies of the proceedings in Congress, together with the proceedings held at the unveiling in Statuary Hall, upon the acceptance of the statues of Junipero Serra and Thomas Starr King, presented by the State of California, of which 1,000 shall be for the Senate and 2,500 for the use of the House of Representatives, and the remaining 1,500 copies shall be for the use and distribution of the Senators and Representatives in Congress from the State of California.

The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer and shall procure suitable illustrations to be published with these proceedings.

#### DEATH OF JOHN PHILIP SOUSA

Mr. McNARY. Mr. President, I offer the resolution which I send to the desk and ask for its immediate consideration.

The VICE PRESIDENT. Let the resolution be read.

The legislative clerk read the resolution (S. Res. 184), as follows:

*Resolved,* That the Senate has heard with deep regret of the death of John Philip Sousa, late a lieutenant commander in the Navy, who was universally recognized as the world's greatest composer of march music.

*Resolved,* That a committee of five Senators be appointed by the President of the Senate to join a similar committee on the part of the House of Representatives to attend the funeral of the deceased.

*Resolved,* That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The resolution was considered by unanimous consent and unanimously agreed to.

Under the second resolution, the Vice President appointed as the committee on the part of the Senate the Senator from Oregon [Mr. McNARY], the Senator from Arkansas [Mr. ROBINSON], the Senator from Indiana [Mr. WATSON], the Senator from New Mexico [Mr. BRATTON], and the Senator from New Hampshire [Mr. MOSES].

#### ALABAMA SENATORIAL CONTEST—EXPENSES

Mr. HASTINGS submitted the following resolution (S. Res. 185), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

*Resolved,* That the Committee on Privileges and Elections, authorized by resolution of February 28, 1931, to hear and determine the pending contest between John H. Bankhead and J. Thomas Heflin involving the right to membership in the United States Senate as a Senator from the State of Alabama, hereby is authorized to expend from the contingent fund of the Senate \$5,000 in addition to the amount heretofore authorized for such purpose.

#### OBSERVANCE OF MOTHER'S DAY

Mr. SCHALL submitted the following resolution (S. Res. 186), which was referred to the Committee on Education and Labor:

Whereas by House Joint Resolution No. 263, approved and signed by President Wilson May 8, 1914, the second Sunday in May of each year has been designated as Mother's Day for the expression of our love and reverence for the mothers of our country; and

Whereas there are throughout our land to-day an unprecedentedly large number of mothers and dependent children who, because of unemployment or loss of their bread earners, are lacking many of the necessities of life: Be it

*Resolved,* That the President of the United States is hereby authorized and requested to issue a proclamation calling upon our citizens to express, on Mother's Day this year, our love and reverence for motherhood—

(a) By the customary display of the United States flag on all Government buildings, homes, and other suitable places;

(b) By the usual tokens and messages of affection to our mothers; and

(c) By making contributions, in honor of our mothers, through our churches or other fraternal and welfare agencies for the relief and welfare of such mothers and children as may be in need of the necessities of life.

#### PROPOSED TARIFF ON OIL

Mr. TYDINGS. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from this morning's Washington Post entitled "A Disguised Oil Tariff."

There being no objection, the editorial was ordered printed in the RECORD, as follows:

[From the Washington Post, March 9, 1932]

#### A DISGUISED OIL TARIFF

One highly controversial item in the tax bill is the provision for an excise tax of 1 cent a gallon on all imports of petroleum and petroleum products. The 2½ per cent sales tax upon manufactures is considered excessive by some authorities, but 1 cent a gallon on petroleum imports amounts to a tax of from 25 to 70 per cent. Affecting as it will the products used by the already overtaxed automobile, it is destined to work hardships upon millions of citizens who are already overtaxed as a class.

The traditional policy of the United States is not to tax fuel, the basic necessity of all industry. Oil differs from agricultural products and manufactures in that it is one of the great and irreplaceable assets of the United States. The oil that is imported into this country comes almost exclusively from properties owned and operated abroad by Americans, developed at the urgent request of American officials as a necessary protection to the Nation against the time when domestic supplies may fail.

If a sales tax is applied to American manufactures and to competing imports, it would be entirely equitable that imported petroleum products should stand their share, but to put them under excise taxes of more than ten to thirty times as great appears oppressive. Such an import tax would tend to increase the cost of gasoline and petroleum products in the United States.

The independent oil producers who have been working for two years for an embargo or a duty on foreign oil seek by this means to force higher prices that will make the product of their small wells profitable once more. To benefit these few producers Congress would have allow a bonus to all the great oil companies. There are more than 660,000,000 barrels of oil in storage in the United States, more than 95 per cent of it owned by the huge oil corporations. Its value would be raised by import taxes of this kind, and automobile owners would pay extra profits to the big oil concerns. Why soak the motorist, who is already paying more than his share?

#### COMPARATIVE PRINT OF NEW REVENUE BILL

The VICE PRESIDENT laid before the Senate House Concurrent Resolution 28, which was read, as follows:

*Resolved by the House of Representatives (the Senate concurring).* That a comparative print of the bill (H. R. 10236) entitled "To provide revenue, to equalize taxation, and for other purposes," as reported to the House by the Committee on Ways and Means on March 8, 1932, showing the changes proposed to existing law, be printed as a House document; and that 8,000 additional copies be printed for the use of the House document room and 2,000 copies for the Senate document room.

Mr. MOSES. I move that the Senate concur in the resolution of the House of Representatives.

The motion was agreed to.

#### PROPOSED ANTI-INJUNCTION LEGISLATION

Mr. NORRIS. Mr. President, House bill 5315, which has just been sent over and which is known as the anti-injunction bill, is practically the same as the bill which passed the Senate. The original bill introduced in the House was a copy of the bill introduced at the same time in the Senate, and the language of the two measures was exactly the same. The House of Representatives has not acted on the Senate bill, which we sent over there; it is still on the Speaker's desk; but the House has passed practically the same bill, although it is a House bill. Of course, if the Senate should act as the House has acted, we never could accomplish anything; unless one body acts upon the bill of the other there never can be any legislation. In a technical parliamentary sense the Senate is exactly where it was before it passed the Senate anti-injunction bill. In a technical and legal sense all that we have done is of no avail whatever; our bill is

dead; it is on the Speaker's desk of the House of Representatives.

I should like now to obtain unanimous consent from the Senate to take up the House bill, which has been brought over from that body; and, if the Senate grants such consent, I will then ask unanimous consent to amend the House bill by striking out all after the enacting clause and inserting the bill which the Senate passed and as we passed it.

I will say I have not had an opportunity as yet to examine the House bill in detail, but I followed it as closely as I could as it went through the House, and I will say to Senators there is very little difference between the two measures, there having been only one or two amendments made by the House to the original bill as introduced. One of them is a rather important amendment, but otherwise there is very little change. With the exception of those changes the language of the House bill is just the same as the bill which passed the Senate. However, as I have said, the House has taken no action on the Senate bill; it is the House bill which is now here and our bill is over there.

Mr. SMOOT. Mr. President, I should be glad if the Senator would withdraw his request at least until we may have an opportunity to consider for a while the pending appropriation bill. The Senator from Montana [Mr. WHEELER], who will have to leave shortly, desires to speak. He is not at present in the Chamber, but will be here in a very few moments.

Mr. KING. Mr. President—

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Utah?

Mr. NORRIS. I yield.

Mr. KING. The Senator from Montana has been detained. I think he will have time—

Mr. NORRIS. Of course, I can not proceed except by unanimous consent. That is the reason why I have made the explanation.

Mr. KING. I have no objection.

Mr. NORRIS. If the Senator from Utah wants to look into it, I will withdraw the request for the present and renew it later.

Mr. SMOOT. I wish the Senator would make the request later.

Mr. NORRIS. Very well.

#### INTERIOR DEPARTMENT APPROPRIATIONS

Mr. McNARY. Mr. President, I am advised that the Senator from Montana [Mr. WHEELER] is called out of the city and must leave at 3 o'clock to-day, to be absent several days. He desires to continue his discussion of the Interior Department appropriation bill this morning. In order to accommodate that Senator I ask unanimous consent that the Senate dispense with the morning hour and call of the calendar to-day and that we now proceed to the further consideration of the unfinished business.

Mr. ROBINSON of Arkansas. Mr. President, I understand it is the purpose of the Senator from Oregon to adjourn at the conclusion of to-day's business, so there will be a morning hour to-morrow and an opportunity afforded for the transaction of business in that hour.

Mr. McNARY. Yes; it will only defer the morning hour and consideration of the calendar until to-morrow.

Mr. ROBINSON of Arkansas. A number of Senators desire a morning hour this morning, but I am prepared to agree to the suggestion of the Senator from Oregon.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the appropriation bill will be proceeded with.

The Senate resumed the consideration of the bill (H. R. 8397) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1933, and for other purposes.

The VICE PRESIDENT. The Secretary will state the pending amendment.

The CHIEF CLERK. On page 20, line 12, after the word "equipment" in the item "for purpose of developing agriculture and stock raising among the Indians," it is proposed to strike out "\$382,000" and insert "\$407,000."

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. VANDENBERG. Mr. President, I should like to ask a question of the senior Senator from Utah with regard to the totals carried by the pending bill as set forth in the report submitted by the committee. The report indicates that the total amount of the bill as reported to the Senate is \$54,870,754.35. There are 29 continuing balances in the bill—that is, a continuation of 29 balances or funds appropriated last year but not expended. May I inquire whether these totals are included in the \$54,870,000?

Mr. SMOOT. They are, I will say to the Senator.

Mr. VANDENBERG. Does the Senator have in mind what is the total of those continuing balances?

Mr. SMOOT. No, I have not; but I will furnish the information to the Senator later.

Mr. VANDENBERG. I thank the Senator.

Mr. McKELLAR. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. SMOOT. Yes.

Mr. McKELLAR. The reappropriated balances are not included in the total?

Mr. SMOOT. The total carried by the bill as passed by the House was a little more than \$50,000,000.

Mr. McKELLAR. Yes; but in the totals that are given reappropriated balances are not included.

Mr. VANDENBERG. That is what I want to find out.

Mr. SMOOT. I misunderstood the Senator from Michigan. The unexpended balances are not included in the total carried by the bill.

Mr. VANDENBERG. Then, in fact, the bill carries a greater total than \$54,870,000?

Mr. SMOOT. Not of direct appropriations.

Mr. VANDENBERG. But so far as department's expenditures are concerned it does?

Mr. SMOOT. As to the unexpended balances, those appropriations were made by preceding sessions of Congress, and some of them were made, I will say to the Senator, knowing very well that they would not be expended in the fiscal year for which the appropriation was made.

Mr. McKELLAR. Mr. President, will the Senator yield to me for a moment?

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. SMOOT. Yes.

Mr. McKELLAR. Did the Senator from Michigan say there were 29 unexpended balances reappropriated?

Mr. VANDENBERG. I found 29 instances where unexpended balances are continued.

Mr. McKELLAR. Would it be possible for the Senator from Utah to find out just what is the amount of each one of those reappropriated balances, so that we may have the true facts?

Mr. SMOOT. I can find out the figures some time during the day. I will have to get the information from the department because they will have the amounts that were expended, say, up to last night.

Mr. McKELLAR. I want to say to the Senator from Michigan that I think he has asked a very pertinent question. It is a matter about which we ought to have the figures.

Mr. VANDENBERG. I do not see how we can tell what the department is expending without such information.

Mr. SMOOT. The appropriations which are made available until expended are never carried in the totals of bills that subsequently are presented to the Senate. Many of the appropriations which are made available until expended may not be expended in the year in which the appropriation was made; they may not even be expended in the following year, but they are reappropriated until expended.

Mr. McKELLAR. But where appropriations are made and are continued until expended, they have no place at all in this bill. The 29 instances to which the Senator from Michigan refers are cases where the continued expenditure has not been authorized, and it has to be reauthorized in

this bill. Of course if these unexpended balances were not reauthorized they would all go back into the Treasury on the 1st of July, 1932.

Mr. SMOOT. That is true.

Mr. McKELLAR. So the question, I repeat, if I may, asked by the Senator from Michigan is an exceedingly important one. The information he seeks I know we can get from the department; and I am very happy the Senator from Utah is going to get that information.

Mr. SMOOT. For instance, I will call attention to the item on line 10, page 17—and it is a case similar to one to which the Senator referred, or among those to which he referred:

The unexpended balance of the appropriation of \$109,746.25 contained in the first deficiency act, fiscal year 1930, for payment to the loyal Shawnee Indians in settlement of their claim arising under the twelfth article of the treaty with said Indians proclaimed October 14, 1888 (15 Stat., p. 513), as authorized by and in accordance with the act of March 4, 1929, is hereby continued available until June 30, 1933.

Mr. TYDINGS. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Maryland?

Mr. SMOOT. I yield.

Mr. TYDINGS. When the Senator ascertains the total amount of the unexpended balances, I think it would help us all if we had the amount of each unexpended balance rather than the total, so that we may find how much of the sums to be reappropriated remain unexpended as of this date.

Mr. VANDENBERG. Oh, yes.

Mr. SMOOT. In this instance \$109,746 was originally appropriated.

Mr. TYDINGS. What is the unexpended balance of that particular amount?

Mr. SMOOT. The Senator means of the portion of \$109,746 that has already been expended?

Mr. TYDINGS. Yes; and how much remains in cash?

Mr. SMOOT. The statement of one would, of course, include the other.

Mr. TYDINGS. But this item reads:

The unexpended balance of the appropriation of \$109,746.25.

But it does not say how much that is. It strikes me that it would be better if it said the unexpended balance of the appropriation on such a date, which is so much.

Mr. SMOOT. There could not be expended more than the original appropriation of \$109,746.25.

Mr. TYDINGS. Of course, that is so; but the bill could set forth the amount that is still available instead of the amount of the appropriation made a long time ago.

Mr. VANDENBERG. Mr. President, let me submit to the Senator a different question relating to an item which I think is more typical than the one to which he refers. Let me call his attention to page 20, line 5, from which I read as follows:

For the purpose of obtaining remunerative employment for Indians, \$60,000, and the unexpended balance for this purpose for the fiscal year 1932 is continued available for the same purpose for the fiscal year 1933.

It is perfectly obvious that the Senate can not know how much money is to be spent "for the purpose of obtaining remunerative employment for Indians" unless it knows what that unexpended balance is.

Mr. SMOOT. More than likely the balance has already been assigned to certain work and that work has not as yet been completed, but as completed it will be paid for. The appropriation of the balance is authorized by this provision.

Mr. TYDINGS and Mr. McKELLAR addressed the Chair.

The VICE PRESIDENT. Does the Senator from Utah yield; and if so, to whom?

Mr. SMOOT. I yield first to the Senator from Maryland.

Mr. TYDINGS. On page 23, line 9, there is even a more complicated provision making a direct appropriation together with the appropriation of the unexpended balance of an old appropriation. I do not see how the committee could

find out how much direct appropriation to make unless they knew exactly what the unexpended balance of the old appropriation was.

Mr. SMOOT. We knew it. In nearly every case the amount is stated in the hearings. I can not turn to one at the moment—

Mr. TYDINGS. The unexpended balance of the particular appropriation made some time ago is not in the hearings.

Mr. McKELLAR. Mr. President, will the Senator from Utah yield to me?

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. SMOOT. I yield.

Mr. McKELLAR. I desire to say to the Senator from Maryland that I do not think the committee had those figures. Under our rule in dealing with these regular appropriations, where no amendment is suggested either by the House committee or by the Senate committee, they just go ahead. Therefore, we have not the figures.

I want to digress here long enough to say to the Senator from Michigan [Mr. VANDENBERG] that I think he has performed a very valuable public service in calling the attention of the Senate to these reappropriations of unexpended balances.

Mr. SMOOT. Then, for the information of the Senator, I will state that the facts requested are given in the House hearings, and I will begin with the first one.

The VICE PRESIDENT. Does the junior Senator from Utah yield?

Mr. KING. I yielded the floor to the Senator from Nebraska, and I continue to yield.

Mr. SMOOT. I read from page 267 of the House hearings:

Mr. HASTINGS. The next item, on page 72, is for the unexpended balance of the appropriation of \$109,746.25 contained in the first deficiency act, fiscal year 1930, for payment to the Loyal Shawnee Indians in settlement of their claims arising under the twelfth article of the treaty with said Indians proclaimed October 14, 1888 (15 Stat., p. 513) as authorized by and in accordance with the act of March 4, 1929, is hereby continued available until June 30, 1933.

Mr. Dobb. The disposal of this fund depends upon the determination of the heirs of some 145 individual claimants. An examiner of inheritance was detailed for this purpose; but before he had completed any great amount of work and before the Secretary had determined any of the heirs, a suit was filed in the District of Columbia Supreme Court which involved the question of the right of the Secretary to determine heirs of Indians of the Five Civilized Tribes. As these are largely incorporated with the Cherokee Nation, work on the determination of heirs was suspended pending disposal of the case. The case has been dismissed, and hearings for the determination of the heirs have been renewed. But little of this money has been paid out, and the balance should be continued available for use in 1933.

The next matter that the Senator speaks of is referred to on page 281 of the House hearings:

Mr. Dobb. The first appropriation for definitely assisting in obtaining employment for Indians was available in 1929, under which two Indians were engaged to make contacts with industrial concerns away from reservations and endeavor to place Indians in permanent employment. The first separate appropriation for the purpose was in the sum of \$50,000 in the 1931 act. Of that sum, \$39,635 was expended in employment of nine permanent and several temporary employees. Included in the nine permanent employees were the so-called outing matrons formerly paid from educational funds. It was definitely understood, and so stated, by us at the time this item was under consideration two years ago that employees devoting all of their time to this or kindred work would be paid from this appropriation. The approved estimate for 1932 was \$75,000. Because of inability to fill all positions authorized and the prospect of a considerable unexpended balance, the estimate was reduced by Congress to \$60,000 and the unexpended balance of 1931 money was made available for use this year. Instead of having \$15,000 to carry over we have only \$10,365.

Mr. VANDENBERG. Mr. President, the Senator now is giving the precise information which I sought to get.

Mr. SMOOT. If there is any other information that the Senator wants, I think all these matters are covered in the House hearings.

Mr. VANDENBERG. It seems to me there should be a comprehensive, detailed statement of unexpended balances, so that we will have a picture of what the departments propose to spend. They now propose to spend, in the face of

the report submitted by the Senator in behalf of his committee, \$54,000,000 plus certain unexpended balances.

Mr. SMOOT. Mr. President, how in the world can the department do it where there is a contract for a building and the contractors are to be paid on an estimate at the end of every month? There are cases here in which the work is in progress right now, some of it being one-quarter completed, some of it half completed, some of it three-quarters completed. We know that the contract has been let. We know that this money is going to be needed. Therefore we have done in this case just as we have always done ever since appropriations were made. There is not the least change in policy; and the House has hearings upon every one of the items. If there is any item that the Senator desires further information about, I will turn to it and tell him just exactly what the unexpended balance is and what the appropriation is for.

Mr. TYDINGS. Mr. President, if the Senator will yield, referring to page 23, beginning with line 9, will he tell us the amount of the unexpended balance of the appropriations for the fiscal year 1932?

For reimbursing Indians for livestock destroyed on account of being infected with dourine, and for expenses in connection with the work of eradicating and preventing such disease.

Mr. FRAZIER. Mr. President, if the Senator will yield, I desire to say that these old appropriations, like this one of 1932, run up to July 1 of this year. It would be impossible for the department or anyone else to estimate how much will be left over on July 1 next.

Mr. TYDINGS. Then, I wonder how the committee could arrive at the figure appropriating \$9,000 more, if they did not know how much money the department has that is unexpended.

Mr. VANDENBERG. Precisely.

Mr. FRAZIER. They estimated it.

Mr. TYDINGS. Upon what facts could they base an estimate if they did not know how much money the department has which is unexpended?

Mr. SMOOT. The department knows exactly the amount of money that has already been paid out, and it knows the balance that the contract calls for. If there is a deficit there, the matter comes to the House of Representatives, and that deficit is placed in the bill just the same as it has been placed in every bill that was ever passed.

Mr. TYDINGS. Understand, I do not question the fact that the \$9,000 may be necessary; but I do think we should have a statement of the amount remaining unexpended of this appropriation, so that all of us may know whether the \$9,000 is or is not needed.

Mr. SMOOT. There never has been a bill stating that; but the information is contained in the House hearings. The hearings begin in the House of Representatives, and in those hearings there is a statement as to the precise condition of the unexpended balance, just as I have stated it.

Mr. TYDINGS. Mr. President, can the Senator tell me the amount of the unexpended balance on that item?

Mr. McKELLAR. Mr. President, let me make a suggestion, if the Senator will yield. If the Senator from Utah will simply take the 29 items that have been pointed out, and get the information from the department, and if the department can make an estimate that is practically correct, we can have these items before us. That is the only way we can know the facts beyond a doubt.

Mr. SMOOT. If the Senate of the United States wants that information, we can get it very easily; but it is going to take time, and I suppose perhaps that is what the Senator wants.

Mr. McKELLAR. Oh, it will not take long.

Mr. SMOOT. I do not know whether or not the Senator was present at the time, but I stated a little while ago that every single one of these facts is in the House hearings. They state exactly the amount of the unexpended balance. They tell the story as a whole; but if the Senator wants the information presented in a concise statement, we will try to get it for him.

Mr. TYDINGS. Mr. President—

The VICE PRESIDENT. Does the junior Senator from Utah yield to the Senator from Maryland?

Mr. KING. I do.

Mr. TYDINGS. If the House hearings contain that information, why would it not be a simple matter in a half hour to go through the House hearings and put it all in a comprehensive form, so that we can see it? As it is now, no one knows whether the \$9,000 is necessary to be expended or not necessary, because we do not know the amount of the unexpended balance. Therefore, we are called upon to vote for an appropriation without any knowledge at all of the amount of money remaining in the hands of the department.

Mr. SMOOT. We know that we have appropriated the amount that the estimates called for. The House did that; and in that amount that was appropriated all of the unexpended balances were taken into consideration.

Mr. TYDINGS. I do not doubt that the appropriation may be needed; but how much is the unexpended balance?

Mr. SMOOT. It has never been asked for before. I will try to get it for the Senator. This bill follows the form of every bill that has been presented since the first one was introduced in Congress.

Mr. TYDINGS. It is a bad precedent.

Mr. SMOOT. Not at all. If anybody wants to know the amount of the unexpended balances, we have the hearings here that will show every penny of it and what it is to be used for.

Mr. SMITH. Mr. President—

The VICE PRESIDENT. Does the junior Senator from Utah yield to the Senator from South Carolina?

Mr. KING. I do.

Mr. SMITH. May I ask the senior Senator from Utah how much was appropriated last year for this purpose?

Mr. SMOOT. Which item does the Senator refer to? We have been talking about three items.

Mr. SMITH. The one which reads:

For reimbursing Indians for livestock destroyed on account of being infected with dourine, and for expenses in connection with the work of eradicating and preventing such disease, \$9,000, together with the unexpended balance.

Mr. SMOOT. The estimate was \$10,000, with an unexpended balance of \$1,000.

Mr. SMITH. That was last year.

Mr. SMOOT. That is the estimate for the coming year.

Mr. SMITH. It was \$10,000 last year?

Mr. SMOOT. It was \$10,000 last year.

Mr. SMITH. One thousand dollars was left over, and now it is supplemented with \$9,000?

Mr. SMOOT. With \$9,000.

I desire to say now to the Senator from Michigan [Mr. VANDENBERG] and also to the Senator from Tennessee [Mr. McKELLAR] and the Senator from Maryland [Mr. TYDINGS] that if they will be in the Chamber in about one hour from now, I will give them all of the information they have asked for, in detail.

Mr. McKELLAR. That is fine.

Mr. VANDENBERG. The Senator from Michigan is usually in the Chamber.

Mr. KING. Mr. President, this morning I received a telegram from one of the Indians residing in Montana. I shall read this in view of the resolution which was offered by the chairman of the Indian Affairs Committee a day or two ago, in which he asked the Indian Bureau to cooperate with the Agricultural Department for the purpose of preserving—if it is not too late—the sheep of a large number of Indians in New Mexico and Arizona.

The telegram is as follows:

Intense cold, 20° below zero. Snowstorm reports indicate much unnecessary suffering among Fort Peck Indians. This is caused mostly by indifference and dereliction on the part of Indian Bureau officials.

(Signed) MEAD STEELE.

I will ask the Senator from Arizona [Mr. ASHURST] whether the condition in his State with respect to the destruction of the sheep of the Navajos is the same as was indicated in his address a few days ago?

Mr. ASHURST. Yes, Mr. President. I think it was last Friday that I spoke for a few moments respecting the severe storms which had decimated, practically, some of the herds of the Indians occupying northern Arizona and northern New Mexico. I have not the figures at hand; but, for instance, the Jicarillas lost probably 40 or 50 per cent of their sheep, and, as I stated on the occasion when I spoke before, the prime industry of the Navajos, Zunis, and other tribes in northern Arizona and northern New Mexico is the raising of sheep and goats. They make blankets from the wool and hair of the sheep and goats, and that is their principal source of income.

I have believed that the Indian Bureau should and would take measures looking toward restoring those herds and flocks of sheep and goats. These Indians are self-supporting. They number over 50,000, and I am very sufficiently convinced that it is the duty of the Government, as it may—it could not do so at once—to come to the rescue of these Indians, and either make an advance to them from the General Treasury in a reimbursable form or in some other way refinance them.

Mr. President, it is not a part of my duty to defend any branch of this Government, even the legislative branch, and a vast deal has been said that was in the nature of criticism of the Indian Bureau respecting its action or lack of action regarding the storm which burst upon the Indians on the 21st of last November. Whatever may be the derelictions of the bureau—and I am not discussing other subjects—I must say that respecting looking toward relief of Indians in the storm-swept area, the bureau, the superintendents in the field, and the workmen in the various superintendencies moved with commendable energy. In the field men were in snowstorm and in the frost and cold for many days at a time, certainly many hours, without sleep or food, and not within my knowledge have men and women made such sacrifices as were made by the employees of the Indian superintendencies on the various reservations in Arizona and New Mexico during that storm period, which lasted for many weeks.

I do not believe that in all fairness the Indian Bureau is subject to criticism with respect to its activities in the storm-stricken area. They were guilty of no remissness, so far as I am able to see. I realize, however, that many Senators, and not a few disinterested citizens who have always had the best interests of the Indian at heart, have believed that the bureau should make more rapid progress looking toward restoring the herds. But the herds can not be restored all at once. They will have to wait until the spring grass comes up and begins to grow before they can talk about restoring the herds. So, with all deference to those who take an opposite position, I fail to perceive how as a practical proposition the bureau can move at this particular juncture looking toward restoring the herds. In the latter part of April, or the early part of May, it may be done, and I think should be done, and I hope the bureau will do it.

Mr. KING. Mr. President, I have heard no suggestion, until the one just offered by the Senator from Arizona, that the Government should replace the sheep that have perished during the winter. The only criticism that has come to my attention was that steps were not being taken with sufficient celerity to prevent the complete destruction of the sheep of many of the Indians. I had in mind, when I propounded the inquiry to the Senator from North Dakota [Mr. FRAZIER], who is chairman of the Committee on Indian Affairs, the fact that the Department of Agriculture has a fund available from which loans may be made to those engaged in the stock business and that its officials have indicated that they are willing to make loans to Indians who have sheep, in order that they may obtain hay and grain to save the remaining herds, but have been prevented by lack of cooperation—

Mr. ASHURST. I understand.

Mr. KING. From the Department of the Interior, because it did not want to surrender to the Department of Agriculture some of the administrative duties involved in the transactions.

Mr. ASHURST. Mr. President, I again declare that I am not defending the Indian Bureau. Indeed, only this morning I was in, what is unusual for me, quite a savage temper before our committee because of a certain action the bureau had taken respecting a bill they had caused to be introduced without knowledge of any member of the Arizona delegation. But that does not preclude me from trying to be fair on another point.

The Senators from New Mexico and the Senators from Arizona signed a joint letter to the bureau some 10 days ago setting forth the nature of the relief which we believe might be practical; and we urged, with respect, of course, that the bureau take our view.

I have come to the conclusion that it is practically impossible to get speedy action from our Government. Under our Constitution, and under the procedure in Congress, we are geared to slow movement. It is almost impossible to speed up the machinery.

I do not know particularly to what the junior Senator from Utah refers, but I assert that on the question of furnishing food to storm-stricken Indians, and furnishing feed to the herds and flocks of sheep and goats and other livestock of the storm-stricken Indians, the bureau is exempt from criticism. They moved with commendable and unusual alacrity. The employees made great sacrifices, I repeat, and I hope and believe that within the next few weeks the bureau will take action toward restoring the herds and flocks of these Indians, because upon their herds and flocks of sheep and goats depends their existence as a people.

Mr. SMOOT. Mr. President, will my colleague yield?

Mr. KING. I yield.

Mr. SMOOT. I think it is fair to say that if the information I have received is accurate, the sheepmen in Montana, Idaho, Utah, and Nevada have suffered a greater percentage of losses than those in Arizona. Of course, as my colleague knows, such a winter as we have had has never been known before. We have had more snow in Utah this year than we have had in the five years just past combined. It has been very severe upon the sheep.

Mr. KING. Mr. President, I repeat what I said, that I intended no criticism of the Indian Bureau when I propounded the question, unless it developed that the Interior Department refused to cooperate with the Department of Agriculture if and when the latter indicated its willingness to make loans to the Indians for the purpose of saving their cattle and sheep, because of the latter's insistence that it should handle the entire matter.

Mr. ASHURST. Mr. President, if the Senator will yield to me there, I myself am somewhat concerned and fearful that, after the Washington habit, in a contest as to which of the two, the Department of the Interior or the Department of Agriculture, shall have the jurisdiction, the question might be lost sight of and dropped out altogether. So that it is a very natural apprehension which the junior Senator from Utah has on that point.

I hope that between the two, the Department of Agriculture and the Department of the Interior, or by one of them, action will be taken looking toward restoring these herds, because I say, in conclusion, that these Indians are self-supporting, they send their products to all parts of America and to foreign countries, particularly their blankets. They derive a revenue from them. They have their chapter house, which is analogous to a legislature; they have their policemen; they have their judges.

The Indians of northern Arizona and northern New Mexico are people of an ancient and respectable culture. They embrace various kinds of culture; and it would be a great pity if, through any remissness on the part of Congress or the bureaus, those Indians were no longer to be self-supporting.

Mr. SMOOT. Mr. President—

The VICE PRESIDENT. Does the junior Senator from Utah yield to his colleague?

Mr. KING. I yield.

Mr. SMOOT. I call attention to the fact that the President of the United States recognized the situation down

there and sent to Congress on February 27 a supplemental estimate of \$135,000 to take care of the situation. The President said:

THE WHITE HOUSE,  
Washington, February 27, 1932.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress a supplemental estimate of appropriation for the fiscal year 1932, in the amount of \$135,000, for the Department of the Interior, Bureau of Indian Affairs.

The details of the estimate, the necessity therefor, and the reasons for its transmission at this time are set forth in the letter of the Director of the Bureau of the Budget transmitted herewith, with whose comments and observations thereon I concur.

Mr. ASHURST. Mr. President, I want to ask the senior Senator from Utah [Mr. Smoot] whether the Committee on Appropriations has included that item in this bill?

Mr. SMOOT. It was put in at the last moment. The letter has just come to our attention. Senators will note that the bill contains the following item:

For an additional amount for support of Indians and administration of Indian property, including pay of employees, \$135,000, to be immediately available and to remain available until June 30, 1932: *Provided*, That the limitation of \$160,000 for relief, contained in the Interior Department appropriation act for the fiscal year 1932, is hereby increased to \$570,000: *Provided further*, That this appropriation shall be available for the employment of Indian labor on any necessary project or activity.

Mr. ASHURST. Mr. President, that is gratifying, and I now express the hope that the bureau will avail itself of part of this money, although that would not be enough, to look toward restoring these herds and flocks of sheep and goats.

Mr. KING. Mr. President, I have been concerned, in view of the facts that have come to our attention, because of the losses which have been sustained by the Indians not only in Arizona and New Mexico, but in other States. More than 200,000 sheep owned by the Navajo Indians have died this winter from cold and lack of food. It is claimed that 50 per cent of the herds of many of the Navajos—and they depend upon those herds for their living—have died from starvation and because of the severity of the storms.

I am informed that in the Jicarilla Reservation in New Mexico more than 50 per cent of all of the herds of sheep and goats have been destroyed, and that the Indians there, as well as the Indians in the Navajo Reservation, are today suffering for lack of food and clothing.

I hope that steps will be taken to prevent a calamity becoming a catastrophe. It would be inexcusable if Indians under the protection of the Government were permitted to die for want of food and shelter, and the Indian Bureau would be subject to just criticism if it failed to aid the Indians in their efforts to protect their sheep and cattle from destruction. However, I indulge the belief that the bureau will employ all means at its command to assist the wards of the Government in this grave situation.

Mr. President, the Indian question is not a new one. It has been with us from the foundation of the Government. I have had occasion to state at various times in the Senate that the Government has failed to discharge a solemn duty resting upon it and that the American people have been indifferent to the responsibilities resting upon them. Lands occupied by the Indians were invaded by white settlers and the former were driven by military forces from their ancestral homes. In many cases no compensation was paid to those who were robbed of their possessions, and where payments were made they were wholly inadequate and represented but a moiety of the value of the lands of which they were deprived.

Before I came to the Senate I endeavored to aid the Indians, and since I have been a Member of this body I have endeavored to protect them and secure legislation that would contribute to their welfare. I urged an investigation by the Senate not for the purpose of condemning the Bureau of Indian Affairs for what many believe were its unwise policies, its failure to understand the fundamentals involved in a proper solution of the Indian question, but in order that facts might be brought to light which would enable Congress and the country to inaugurate and execute

a plan that would be conducive to the welfare, development, and civilization of the Indians.

That we have failed to fully discharge our obligations to the Indians, I believe will be conceded by those who have acquainted themselves with the history and condition of the Indians and with the treatment to which they have been subjected at the hands of the Government and the American people.

I had occasion to inquire into the condition of the Indians across the line in Canada in order that I might learn whether that country had acted more justly toward the Indians than had the United States. Among the sources of information consulted were reports of the Dominion Government and a book written by an American who is a friend of the Indians.

From every point of view, it would be supposed that the United States would have acted in a more humane manner toward the Indians than Canada and would have been more successful in civilizing the Indians than our northern neighbor.

In my opinion the Canadian Government has dealt with its Indian inhabitants and wards in a more humane manner than has the United States. The system existing there and its effects are in great contrast to the system prevailing in the United States and the results which we have obtained.

The Indians of Canada number more than 104,000, and are directly under the guardianship of the Dominion Government. There are some Indians, as I am advised, who are not under the guardianship of the Dominion Government; and, I might add in passing, there are thousands of Indians in the United States who are not under the guardianship of the United States, although some of them should be.

The Senator from Florida [Mr. Trammell] has inquired concerning the status of the Indians in Florida and has sought to learn whether they are outside the cognizance of the Federal Government. He was informed that they were not considered as being under the jurisdiction of the Indian Bureau. The Interior Department and the Bureau of Indian Affairs deny any liability or responsibility for the education, care, or maintenance of those Indians, and that may be said to be true of thousands of other Indians in various parts of the United States. This statement is not intended as any criticism of the Indian Bureau. It may be there is no obligation upon the part of the United States to care for these Indians. It may be the fault of Congress; but, whether there has been a default in the past, it would seem that some plan should be adopted to properly care for all Indians in our country. Indians whose property has been taken from them, Indians who have been despoiled of their homes and driven by the bayonet and by the sword from the lands which they inherited from their ancestors, should not be left to starve or to be wanderers and outcasts.

But to return to the situation in Canada. As I have stated, there are more than 104,000 Indians in Canada. We are familiar with the fact that there are many intermarriages in the United States between the whites and the Indians, and that is true of Canada.

Canada located its Indians by treaty, as a rule, on small reservations. These have been perfectly safeguarded against white entry. I may say in passing—and I shall advert to it before the discussion in regard to this bill is concluded—that upon many of the reservations in the United States, particularly where irrigation projects have been inaugurated or are in process of development, the Indians are being crowded out, the lands are passing into the hands of the whites, and the millions of dollars expended for reclamation projects, ostensibly for the benefit of the Indians, are in reality for the benefit of the whites, while the Indians, or most of them at least, are deriving little if any benefit from the enormous appropriations charged as a rule against their tribal funds.

In 1914 there were several hundred reservations in Canada of compact bodies of Indian lands totaling over 5,000,000

acres. In that year the per capita cost in Canada was \$20, while in the United States it has run all the way from \$40 up to \$200 and \$300, as I shall show before we conclude the consideration of this bill. The value of Indian lands, improvements, livestock, and personal property in Canada in 1928 aggregated many millions of dollars. In 1928 the income of Indians on those reservations was nearly \$10,000,000. This included earned wages of \$2,500,000. The income and wages have greatly increased since 1914. The income figures are much superior to those in the United States. The showing made, as revealed by these figures, is superior to the record in the United States. There are no Canadian Indians with large unearned incomes, such as the Osages and some others in Oklahoma and the Klamath Indians.

The statistics of income in Canada are accurate and detailed. That can not be said of statistics supplied by the Indian Bureau in this country. I believe that it is within the bounds of accuracy to state that the income of bona fide Canadian Indians derived from labor and production is twice that of the Indians in the United States. Canada, as Senators know, is sparsely settled and the opportunities for employment are not as great, or at least presumably are not as great, as they are in the United States. Climatic conditions are not as favorable in Canada as in the United States, and this places the Canadian Indians at a disadvantage.

The expenditures in Canada on these 104,000 Indians was about \$5,000,000 in the year 1927-28, a per capita of approximately \$40. The per capita expenditures in the United States in behalf of Indians under the control of the Bureau of Indian Affairs is more than \$100, excluding expenditures from tribal funds and all other per capita payments.

The Canadian policy toward Indian lands is in sharp contrast with the policy pursued in the United States. Practically, the Canadian policy leaves it for the Indians themselves, tribe by tribe, to decide whether surplus land shall be sold to the Crown; while as for the individual his land is entailed permanently. In the United States it has been a controversial question as to whether the Indians should be permitted to alienate or encumber their lands. We are met constantly with the pitiful sight of "blanket Indians," who have been dispossessed of their inheritance, lands which were allotted to them. When the period was ended and title finally passed to them, and when they were able to dispose of their lands without restriction from the Government, many of them mortgaged or sold their lands to white settlers, who took possession of the same. In many instances this resulted in the dispossessed Indians becoming objects of charity. This condition is not found in Canada.

Tribal funds in Canada have been derived from the sale of surplus lands to the Crown, supplemented by various forms of communal incomes. The principal of the tribal fund can be disbursed only with the consent of the Indians and of the Governor General of Canada. The Canadian Bureau of Indian Affairs has no power to disburse any tribal principal. In addition, the discretion of the tribe and the Governor General is restricted by law, and the tribal capital can only be disbursed for the purchase of land, cattle, and so forth, and in the creation of permanent improvements. The tribal income may be used by the tribe for the support of its needy, aged and infirm, orphans, and so forth, and for industrial purposes.

Tribal funds in the United States are reported shrinking year by year, having diminished from more than \$44,000,000 in 1917 to \$25,226,000 in 1928, and my recollection is there has been a diminution in the tribal funds since 1928. This has taken place in spite of constant replenishment from oil and mineral leases, wasteful timber cutting, and grazing leases. I shall have something to say later about the unwise and unjust method employed by the Department of the Interior and the Bureau of Indian Affairs in the leasing of the lands of the Indians to white cattle and sheep men. The result has been that in some reservations, where the Indians formerly had cattle and sheep, they now have no livestock and the lands which were grazed by their own sheep and cattle are now under control of white lessees,

who profit by grazing their cattle and sheep on Indian lands.

I shall show later that in one reservation the stockmen are owing banks large sums, and the banks and many white people in surrounding communities are the strongest advocates of a continued leasing policy of Indian lands to the whites.

A few years ago upon some reservations in the United States when there were fine herds of cattle and sheep owned by the Indians, there are now none. Lands have been grazed and overgrazed by the whites under the unwise and unjust policy which has been put into operation by the Bureau of Indian Affairs.

In the Navajo Reservation, however, the Indian Bureau has not deprived the Indians of the control of their lands. The Indians there, as I said a few moments ago in my colloquy with a number of other Senators, owned large herds of sheep which were grazed on their reservation; but because of the severity of the winter, the Indians of the Navajo Reservation have lost perhaps more than 200,000 of their sheep.

I again challenge the attention of the Senate to the fact that the tribal funds of the Indians, notwithstanding their replenishment from the sale of oil and from minerals and from grazing fees, were reduced between 1917 and 1928 from more than \$44,000,000 to \$25,000,000; and I have evidence here, Mr. President, mountain high that it is the view of responsible men who are familiar with the conditions in the Indian Bureau that, under the practices and policies now prevailing, within 25 or 50 years substantially all of the tribal funds of the Indians in the United States will have been exhausted. What the condition of the Indians then will be it is not difficult to conjecture, if the present policies of the Indian Bureau are maintained. Many of the Indians now living on their own lands, which have been allotted to them in severalty, will have parted with the same under the crushing, driving, irresistible forces around them, and they will be blanket Indians, without homes, without support, and objects of charity.

In contrast with this pitiful picture which I have so imperfectly sketched of the Indians in the United States the Canadian Indian tribal funds do not diminish from year to year but, upon the contrary, increase. The Canadian tribal funds on March 21, 1927, were \$12,860,953. The tribes expended in the following year out of this fund \$1,262,300, but at the end of the year the fund totaled \$13,203,366. The fund has been augmented from interest, and from sale of lands to the Crown, timber income, and so forth, and, of course, by the thrift and work and earnings of the Indians themselves.

The Canadian policy toward Indian tribal self-government is the opposite of that which obtains in the United States. Canada has systematically preserved tribal organizations and has thrown on them—that is, on these organizations—the maximum of authority and responsibility—quite the reverse, Mr. President, of the policy pursued in the United States. Our policy has atrophied the Indians; it has produced a spirit of lassitude; it has demoralized them and taken from them their courage, their power of resistance, their independence.

Attempts have been made, as will be shown when we discuss the Hagerman case, to disorganize the tribes, to destroy their tribal relations, their tribal governments, and to compel them, by coercive policies, to abdicate their own authority and to confer the crown of power and authority upon Mr. Hagerman or upon the Indian Bureau or upon representatives of the Indian Bureau.

Mr. President, much will be said before this bill receives the pontifical blessing of the Senate about the Indian school system in the United States and its imperfections. There is a contrast between the schools in the United States and those in Canada to the distinct disadvantage of our Indian school system. The Canadian school policy is again in contrast with that of the United States. Canada's schools number more than 350 at the present time. Of those more

than 251 are day schools, 77 are residential schools, and 12 are combined white and Indian day schools. I might add, Mr. President, that this information is not current and the conditions now would be more favorable, not only as to earnings but as to tribal funds and as to the number of schools and pupils.

In Canada the residential schools are boarding schools, but they are different from the boarding schools which we find on the reservations of the United States and outside of the reservations. They are small, homelike institutions with an average attendance of about 78 children per school. This is in contrast with the system prevailing in the United States where some of the schools have a thousand children, and many have from 300 to 600 pupils.

The Canadian effort is to locate the school in the environment where the child will live. We drag children away from their homes hundreds and, in some instances, thousands of miles; and for years we have had a system of kidnaping which I brought to the attention of the Senate more than a year ago, where little children were hounded and arrested by officials of the Indian Bureau and dragged from their homes and from the arms of their mothers and fathers and taken hundreds of miles away. After the exposé in the Senate when the last Indian appropriation bill was under consideration, be it said to the credit of the head of the Indian Bureau, that atrocious, cruel, and indefensible policy of kidnaping little children was abandoned; but I have received information within the past two weeks that on one reservation the practice still persists.

In Canada scholarships are furnished to the Indian child who wants to go farther than the Indian schools and who desires what might be called a professional education. These are gratuitous. The use of tribal funds even for educational work was terminated in 1927, all educational work being put over into the gratuitous expenditure class.

The Canadian system of health work, which interlocks with the Canadian system of welfare work, could be advantageously followed in the United States. The fundamental premise in Canada is that the sick Indian shall have the best medical aid in the Province. If that best aid be an Indian Bureau doctor, that will be satisfactory; otherwise, the needed specialist or hospital is used and paid. Wherever practicable, use is made of hospitals, sanatoria, public-health officers, nurses, and doctors who serve the local community, Indian and white alike. Thus the Canadian medical system is cheaper than ours by virtue of using local facilities to the limit, while at the same time the Canadian Government is able truthfully to say, as it does in the report for 1923, which I have here—

No appeal for medical treatment from a Canadian Indian goes unheeded, and no expense is spared to give the sick Indians the benefit of the best medical and hospital care available.

My information is, and the reports which I have examined indicate, that the Indians in Canada are happy, increasingly prosperous, well served with social services and medical attention. They are not robbed, and they do not think they have been robbed. There are not the resentments, the heartburnings, the sullenness, indeed the hatred, which we too often find among the Indians in the United States. Their languages are respected and preserved; their tribal systems are preserved and utilized; their religious liberties are respected; their land holdings are kept intact; their tribal funds are safeguarded and increased; and agricultural credit is extended to them on a modern basis. South of the Canadian line these conditions are not to be found.

In 1914 the secretary of the Board of Indian Commissioners, United States, made an investigation throughout Canada, and reported thereon in a public volume, which is before me, called "The Administration of Indian Affairs in Canada," by Frederick H. Abbott. He went with complete freedom everywhere, interviewed many of the leaders of the Indians, as well as the Indians themselves, and was able to report that not one Indian had made a complaint. What a contrast that is to conditions here. We have complaints everywhere. Perhaps I have received more than some Senators.

I hope I will be pardoned for stating that the reason why I have received so many complaints not only in writing but from Indians who have visited me here and elsewhere grows out of the fact that for 10 or 12 years I have insisted upon fair treatment for the Indians and have endeavored to secure a complete and comprehensive investigation of conditions affecting them in order, as I said at the outset, that a constructive program might be adopted that would lead to the advancement of civilization and prosperity of all the Indians in the United States.

Mr. President, I commend to the officials of our Government the course of the Dominion Government. When the present administration came to power, glowing reports were published by the Interior Department and officials in the Indian Bureau concerning the important reforms that were to be wrought in the Indian Bureau.

In my opinion, the promised reforms have not appeared, and the condition of the Indians is as unsatisfactory now as at any time during the past decade.

Mr. President, the Senator from Montana [Mr. WHEELER] is compelled to leave the city to-day, and he desires to speak upon the bill before leaving. I therefore yield the floor, but shall later discuss some of the provisions of the pending bill. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HOWELL in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Jones	Robinson, Ind.
Austin	Cutting	Kean	Schall
Bailey	Dale	Kendrick	Sheppard
Bankhead	Davis	Keyes	Shipstead
Barbour	Dickinson	King	Shortridge
Barkley	Dill	La Follette	Smith
Bingham	Fess	Lewis	Smoot
Black	Fletcher	Logan	Stelwer
Blaine	Frazier	McGill	Thomas, Idaho
Borah	George	McKellar	Thomas, Okla.
Bratton	Glass	McNary	Townsend
Brookhart	Glenn	Metcalf	Trammell
Broussard	Goldsborough	Moses	Tydings
Bulkeley	Gore	Neely	Vandenberg
Bulow	Hale	Norbeck	Wagner
Byrnes	Harrison	Norris	Walcott
Capper	Hastings	Nye	Walsh, Mont.
Carey	Hawes	Oddie	Watson
Connally	Hayden	Patterson	Wheeler
Coolidge	Hebert	Pittman	White
Copeland	Howell	Reed	
Costigan	Johnson	Robinson, Ark.	

The PRESIDING OFFICER. Eighty-six Senators have answered to their names. A quorum is present.

Mr. WHEELER. Mr. President, I intend to consume only a short time in addressing myself to this bill. At the outset I desire to say that I have absolutely no interest in this subject excepting to try to do something for the welfare of the Indians.

About two years ago—perhaps longer—the Senate authorized the Committee on Indian Affairs to make an investigation of the Bureau of Indian Affairs of the Interior Department. As a matter of fact I was appointed on the subcommittee over my protest, because of the fact that I realized the tremendous amount of time it would take to complete the investigation as it should be made of the various Indian reservations throughout the country.

Whenever a session of Congress has ended we have attempted to visit some of the Indian reservations. It has meant a great deal of hardship on members of the committee, because of the fact that many of the reservations are in out-of-the-way places, because of the tremendous number of Indian witnesses who wanted to be heard, and because of the fact that many times we had to travel by night and by day, and to be up at all times of the day and night, in order to keep our different engagements.

During the course of this investigation, at least every time when I have been a member of the subcommittee, we have had the Indian agent present at the hearing. We have had present all of the witnesses that the Government wanted to call, so that they could answer questions and be heard. We expressly asked the Commissioner of Indian Affairs to go with the committee, so that he himself could be present and hear the testimony that was adduced at the various hear-

ings. On the last trip we took through the Southwest the Assistant Commissioner of Indian Affairs went with the committee, attended every hearing that was held, and was with the committee constantly until it finally broke up after about a two months' trip through the Southwest and through Arizona and New Mexico.

So there could not be any claim that the investigation was a one-sided affair. The department was represented there. When an Indian testified as to something that he felt was wrong with reference to the department, we immediately called upon the Indian agent, or those of his men who were present, to testify right then and there as to the truth or the falsity of the statements that were made by the Indian.

I am not one of those who believe that the Commissioner of Indian Affairs, Mr. Rhoads, or the Assistant Commissioner, Mr. Scattergood, is not in sympathy with the Indian. My own judgment of those two men is that they are both honest, that they are both sincere, and that they both want to do what they believe to be right by the Indian. The thing I complain about is not the particular individual in the department so much as the system of bureaucracy that has grown up down there.

Whenever the Congress creates a department or a commission or a bureau here in Washington, immediately that body strives to enlarge the sphere of its influence and the number of its employees. If one traces the Indian Bureau from its inception, he will find that that bureau has constantly come to the Congress of the United States and received increased appropriations, not always for the benefit of the Indians but, under the guise of the benefit of the Indians, for the purpose of building up a tremendous bureau with a tremendous number of commissioners and sub-commissioners of Indian Affairs; and then they built up a forestry department, and an educational department, and an agricultural department, and a dozen other different departments and heads, until to-day we have a tremendous overhead expense down here, most of it, or a great deal of it, coming out of the Indians.

As long as the Indians had money belonging to them, as long as they had oil, as long as they had timber, if we examine the figures of the appropriations that have been made, we will find, for instance, in the forestry department, that the officials spent their money lavishly. They appropriated the Indians' money and spent it lavishly, as on the Klamath Reservation, where the Indians are paying practically all the expenses.

It will be found that where the Indians had no money, where they were poverty stricken, very little money was spent for their welfare. But where they had money the bureau reached into the coffers of those Indians and spent the money, as they did upon the Klamath Reservation.

There are upon the Klamath Reservation, according to the figures which I have, approximately 1,079 Indians. That includes men, women, and children. The agency pay roll is \$136,000, or more than \$126 taken from each man, woman, and child of the Indians to pay Indian Bureau officials. I know that is not very interesting to the Senator from Utah, but, nevertheless, it is extremely interesting to those Indians out there, who see their timber being cut off year after year, year after year, and see all their assets being practically wasted by a tremendous bureau established here in Washington over which they have no control whatsoever.

They have come here, as I pointed out yesterday, and complained, first to the Bureau of Indian Affairs, then to the Committee on Indian Affairs, and then to the Committee on Appropriations of both the House and the Senate; but notwithstanding that, gradually, gradually these appropriations have been increased, until practically their whole national resources, their great timber, their great forests, the finest left in the United States to-day, are being used up by a lot of bureaucrats.

The work in the forests is not given to the Indians; the Indians are not being taught to do their timber work—the lumbering that is necessary to be done out there; they are

not even given the menial jobs on the reservation; the work is all going to white men, to the civil-service employees.

Finally, after the Committee on Indian Affairs had complained to the department on numerous occasions, they changed the superintendent on the Klamath Reservation, a man who built up a tremendous bureau at great expense to the Indians out there. But what did they do with him? They brought him here to Washington and put him in the bureau, kept him on the pay roll at an increased salary, I understand. I may be wrong about that, but my information is that he got an increase of salary. At least they gave him a much more important job than the one he had had theretofore.

On many of the Indian reservations we have come across absolutely worthless employees in the Government service, men who could not earn a salary, could hardly make a living for themselves if they were out in the ordinary walks of life, but are holding jobs and are supposed to be educating the Indians, when, as a matter of fact, in some of these places I would much rather have the uneducated Indian or the Indian who had a little education than some of these incompetent employees.

On the Klamath Reservation there are about 600 adult Indians, which means that there is on that reservation 1 Indian Bureau employee for every 13 adult Indians. Just stop and think of that. There is 1 bureau employee for every 13 Indians on the Klamath Reservation, and when those Indians complained about it, when they said, "We want to conserve our resources," when they said, "We want to conserve our wealth, we want to conserve our timber," was their complaint given any heed? Not at all. Some little fellow can come from the bureau before the Committee on Appropriations and the Senator from Utah says, "I would believe him before I would believe the Indians out there." The Indians were asking for economy in the conduct of their affairs, and they could not get it, and they have not got it. I say that it is an outrage upon these Indians who are asking the Government of the United States to save their property and to cut down expenses and to economize for them that the Government of the United States should not pay some attention to them when they come here.

Let me again call attention to the fact that on the Mescalero Apache Reservation there are 680 Apaches. In the fiscal year 1930 the Indian Bureau spent \$208,438, or \$360 for each Indian. The bureau took from each Indian \$103. The entire tribal income year by year of those Indians is being consumed by the Indian Bureau for its employees. The entire tribal fund, I repeat, of the Mescalero Apache Indians is being consumed every year by the bureau for its employees. That is the way we are educating these Indians. That is the way the chairman of the Committee on Appropriations has taken the word of these Indian bureaucrats.

How little service is given to the Mescaleros is told in the report of the committee dated December 21, 1931. We made a complete survey. We visited that reservation, and, as I said a moment ago, we did not take ex parte testimony. The Indians gathered there. We heard their story, and then, when they made a complaint, we turned to the superintendent or we turned to the doctor or we turned to the employees and said, "What about this, Mr. Officer? Is this true or is this false?" In many cases the Indian was wrong in his complaint. In many instances he was right in his complaint, and the superintendent, when he was faced with that Indian, had to admit that he was wrong.

The trouble in the past has been that some Indian would send in a complaint to Washington, it would go before the Committee on Indian Affairs, or it would go before the Committee on Appropriations, and some person in the bureau would say, "That is not true; that is not correct," and, as the Senator from Utah says, he would take the word of the person in the bureau; but when they were face to face with those Indians out there upon the reservation, then it was quite a different story. They either had to have the facts, and substantiate those facts, or they had to admit that the Indian was telling the truth about it.

Let me say to the Senate that the Committee on Indian Affairs has filed reports, we have called the attention of the department to the facts, but, generally speaking, the recommendations of the committee have been ignored.

There is one thing which should be done; that is, the chairman of the Committee on Indian Affairs ought to be a member of the Committee on Appropriations of the United States Senate, so that he himself could follow these appropriations when they are made up, because the chairman of the Committee on Indian Affairs has visited practically all of these reservations. He can tell, if he is on the Committee on Appropriations, whether the money should be expended or whether it should not be expended, and we would not have to take just the word of the Indian Bureau as to whether they needed the money or did not need the money.

Mr. FLETCHER. Mr. President—

The PRESIDING OFFICER (Mr. LOGAN in the chair). Does the Senator from Montana yield to the Senator from Florida?

Mr. WHEELER. I yield.

Mr. FLETCHER. I had supposed that the practice was to put on the subcommittees of the Committee on Appropriations the chairmen of the important standing committees.

Mr. WHEELER. That is not the case.

Mr. FLETCHER. I think the chairman of the Committee on Indian Affairs ought to be on the subcommittee which frames this bill, if not on the general Committee on Appropriations.

Mr. WHEELER. I thoroughly agree with the Senator; that is what ought to be done. The chairman of the Committee on Indian Affairs ought to be on the subcommittee which hears the officials of the department with reference to Indian appropriations. Every year the same thing happens. They come here and get appropriations, and the recommendations of the Committee on Indian Affairs with reference to expenditures of money are entirely ignored.

Mr. President, I ask that a copy of this official report with reference to the Mescalero Apache Indians be printed in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the report was ordered to be printed in the RECORD, as follows:

[Senate Report No. 25, Seventy-second Congress, first session]

**SURVEY OF CONDITIONS OF THE INDIANS IN THE UNITED STATES—INDIAN TRIBAL AND TRUST FUNDS, MESCALERO APACHE RESERVATION, N. MEX.**

Mr. FRAZIER, from the Committee on Indian Affairs, submitted the following partial report (pursuant to Senate Resolutions 79 and 308, Seventieth Congress, and Senate Resolutions 263 and 416, Seventy-first Congress):

Pursuant to the above-mentioned resolutions and within the limits of its authority the subcommittee has conducted hearings on many Indian reservations situated in various States.

The subcommittee reports herewith on the Mescalero Apache Reservation of New Mexico, primarily with the object of calling to the immediate attention of the Senate the abuses of Indian tribal trust funds. A more exhaustive report on Indian trust funds will follow.

On a previous occasion, when reporting on the Klamath Agency of Oregon, the subcommittee pointed out that the tribal estate of many of the Indians, turned into cash through the sale of natural resources, is being rapidly exhausted by the Indian Bureau.

The Mescalero Apache Reservation of 472,200 acres is occupied by 696 Apache Indians. Its chief values are its timber and its grazing range. At the time of the subcommittee's hearings (May 4, 1931) a meager ration was being supplied to 31 of their aged and infirm Indians. The Indian Bureau provides schooling on the reservation for 107 Apache children and an additional 17 attend public schools; 38 children from the reservation are at distant boarding schools. A hospital is maintained by the Indian Bureau with an average attendance, as stated to the subcommittee at the hearings, of 12 to 14, but, in addition to his duties at the hospital, the doctor answers sick calls from the Indians.

The Indian agency's activities in the matter of Mescalero Apache property have to do (a) with the timber, and (b) with the livestock, particularly the tribal herd which has dwindled from 7,500 in 1928 (House appropriation hearings for 1930, p. 1205) to 3,000 in 1931. The timber income and tribal-herd income alike are absorbed by the expenses of the agency. In addition, \$10,000 from the tribal fund was spent for water development in 1930 and \$10,000 in 1931. The income from the sale of timber has been, through each successive year, used up by the Indian Bureau for

administration. The income from leases of tribal lands have been similarly used. The income from the rapidly diminishing tribal herd likewise has been used for Indian-agency maintenance. The whole tribal estate, in practical effect, with the exception of the area used for grazing 1,000 head of cattle, 18,000 sheep, and 10,000 goats, is treated as belonging to the Indian agency, not to the Indians, and its yield of income and principal is being consumed in agency salaries and other Indian agency costs.

The reservation superintendent, Mr. P. W. Danielson, when testifying before the subcommittee on May 4, 1931, repeatedly affirmed that the total of tribal funds annually used by the agency was \$55,000. Reference, however, to the Indian Bureau's detailed reports of expenditures established that the bureau's draft against the Mescalero tribal fund has fluctuated between \$70,000 and in excess of \$110,000 through successive years. (House appropriation hearings, Interior Department appropriation bill, p. 704.) In addition, the bureau has obtained from Congress a gratuity appropriation for this reservation of \$64,309 for 1928, \$76,186 for 1929, \$97,661 for 1930, and \$87,390 for 1931. In the fiscal year 1930, the total expenditure at the Mescalero Apache Reservation was \$208,436.22. The tribal funds used by the Indian Bureau in 1930 totaled \$110,774. (House appropriation hearings, Interior Department bill, fiscal year 1932, p. 704.) The per capita expenditure, nominally in behalf of each Indian then resident on the reservation, was \$306. Out of the tribal fund there was contributed for each Indian \$163 to the maintenance of the Indian agency, and the Government, through gratuities, contributed an additional sum of \$143 per capita. Indian agency salaries, as distinct from irregular labor, totaled \$70,280, or \$103 for each Indian, according to the tabulation of expenditures for 1931, which was made a part of the subcommittee's hearings at the Mescalero Agency.

Indians have been led to believe that they are tax exempt, but the Mescalero Apaches are not tax exempt in the sense that their tribal funds are used for the purpose of the agency administration. If the American people as a whole paid an average per capita tax equal to the per capita contribution of the Mescaleros to reservation costs in 1930, the tax fund would total more than \$20,000,000,000 a year. If Government in all its branches, national and local, were supported as lavishly, on a per capita basis, as is the Indian agency on the Mescalero Reservation, the tax fund would total more than \$36,000,000,000 or more than a third of the aggregate national income.

It has been stated above that the Mescalero Apaches received, in return for their heavy contribution, supplemented by the Government's heavy contribution, but little of tangible service from the Indian Bureau. More than three quarters of a million dollars of Mescalero Apache trust money has been used by the Indian Bureau in 10 years. There are fewer than 700 Indians. The large expenditures, as explained above, do not represent per capita or other cash payments made to the Mescalero Indians, except that in 1930 \$22,013.12 of tribal funds was loaned to individual Indians and applied on their store debts, hence it can not be asserted that the Apaches have squandered their money. As one example of conditions on the reservation, the subcommittee found, within a quarter mile of the agency headquarters, an Apache woman more than 80 years old. This old woman was one of the 31 receiving, twice each week, a small ration paid for from the tribal fund. Her home was a set of poles with a canvas around the poles, and when it rained the rain came in. The place was not ditched, and for weeks before the subcommittee's arrival this old woman had been living in a sea of mud and water. The bureau's field matron, under questioning, admitted that she had not visited the place or sought to help.

The subcommittee points out that it does not favor uncontrolled per capita payments from tribal income, but that the tribe's income should be used for the industrial advancement of the tribe's members instead of being used for the support of the Indian agency in unproductive ways.

The evidence adduced at the hearings at Mescalero through Indian and Indian Bureau testimony alike showed that the Indians are practically denied the use of most of their reservation and denied the advantages of their reservation's income; are burdened with impossible debts, part of them for improvements needed by the general community of whites; and are forced to carry an immense burden of Indian agency salaried employees. The agency witnesses testified that for the tribal herd of 3,000 head, the agency was employing a supervisor and seven other salaried employees. The evidence further disclosed that for overseeing the timber, although no timber operations were in progress, and specifically for supervising the sale of timber, although the sale of timber had ceased the preceding year, the agency was employing a forest supervisor, a senior ranger, a forest ranger, and two timber scalers on an all-the-year basis. An Indian agency pay roll of \$70,280 for salaries as distinct from irregular was being maintained in 1931. The committee believes that the work of this agency as well as every other agency visited could be conducted with fewer employees. This is particularly true of the forestry department of the Indian Bureau where the overhead expense to the Indians is far beyond what it should be. The Indians' timber is being squandered on a lot of high-priced employees while the Indians are going without sufficient food and clothing. Every Indian on a reservation that has a timber reserve should be encouraged to build himself a good home and should be furnished lumber and advice and help in building it.

Generally speaking there are too many subagents and too many farmers, too many foresters, too many scalers, and too many so-called experts, and too little good for the Indian has been accom-

plished. The Indian Bureau is a good example of bureaucracy gone mad.

The subcommittee has dwelt at some length on the Mescalero Apache tribal fund and agency financial records because in its essentials this record typifies the situation at reservations where the Indian Bureau uses Indian trust moneys.

The use of Indian tribal funds for Indian Bureau maintenance, and without regard to Indian wishes or to the duty of conserving the Indian property and building it up, is causing the rapid impoverishment of the Indian tribes without even, in the typical and more numerous cases, saving money to the United States. This conclusion becomes evident as soon as the Indian Bureau's expenditures at reservations with large tribal funds or tribal incomes is compared with its expenditures at reservations without large tribal funds or tribal incomes, where expenditures must be made from gratuities which are effectually controlled by Congress. From the tabulation of the expenditures of 13 reservations, appended to this report, the following facts are pointed out as examples:

The New Mexico Pueblos are administered through gratuities. They receive, according to the subcommittee's observations, when compared (for example) with the Mescalero Reservation and the Klamath Reservation previously reported on, an intensive and efficient human service, and their properties for several years past have been reasonably safeguarded by the Government. Omitting reimbursables, the Pueblo cost per capita in 1930 was \$38.40—\$36.70 gratuities and \$0.70 tribal. The Navajo and Hopi Reservations are administered principally through gratuities. The total per capita in 1930 was \$47.70—\$42.70 gratuitous and \$5 tribal. The California Mission Indians receive a comparatively intensive service, educational, medical, and social. Their per capita cost in 1930 was \$50.40, of which all except \$0.40 was gratuitous. For the whole of California, outside Yuma (18,509 of the 19,197 Indians) the total per capita expenditure in 1930 was \$24.55, of which \$24 was gratuitous. For the Pimas, numbering 4,449, the total per capita was \$42.50, of which \$39 was gratuitous.

In striking contrast are the reservations having substantial tribal funds or tribal incomes. At Mescalero, as already pointed out, the gratuitous expenditure per capita was \$143 in 1930, and to this gratuitous amount, so large in comparison with the above examples, there was added a tribal fund expenditure of \$163 per capita. At Jicarilla, to a gratuitous per capita of \$131 there was added a tribal fund per capita of \$102. For the Colorado Utes, to a gratuitous per capita of \$92 there was added a tribal fund per capita of \$94. Exceptions, as noted in the appended tabulation, are the Osages, the Klamaths<sup>1</sup> and Menominees, where the heavy per capita expenditure is levied chiefly against tribal funds.

The subcommittee has stated above that at the Mescalero Apache Reservation it found not a superior, not a more generous, service to the Indians, as a result of the very large expenditures, but instead, that it found a meager and deficient service. Previously, the same state of affairs at the Klamath Reservation has been described by the subcommittee. The subcommittee in its many

hearings on the reservations has found it to be almost uniformly true that the Indians who are surrendering tens, even hundreds, of thousands a year from their tribal funds in payment for agency services and in whose name large gratuities also are being spent, are no more served, and no better served, than those living on reservations dependent on gratuities.

In sum: The subcommittee finds that the past and continuing use of tribal funds by the Indian Bureau is of little benefit to the Indians. It means, if continued as at present, the ultimate dissipation of the Indian estate, with no human gains to the Indians and not even a saving of expense to the United States. That the policy of to-day is not different from that of earlier days is shown by a comparison of the totals of tribal funds from the four Apache Reservations, asked for and secured in the fiscal year 1930 and the fiscal year 1932, for "general support and administration." (As explained above, the actual expenditures from tribal funds have been larger.)

The comparison follows:

	1930	1932
San Carlos Apache.....	\$89,300	\$107,500
Fort Apache.....	135,300	143,900
Mescalero Apache.....	55,000	55,000
Jicarilla Apache.....	60,000	60,000
Total.....	339,600	366,400

The showing is in fact more serious than the above comparison on its face would indicate. Since 1930 the chief source of replenishment of the funds of three of the four Apache reservations has diminished or stopped altogether, with the decline of the lumber market. At the Jicarilla Reservation the stoppage is permanent, all the timber having been now cut over; there will be no new timber income for 50 years or longer, according to the testimony of the superintendent of this reservation given at the subcommittee's hearings at the Jicarilla Reservation. The present policy, if it continues, means the complete destruction of many of the tribal funds at a very early date. It is a situation which as a whole calls for the immediate attention of Congress.

Respectfully submitted,

LYNN J. FRAZIER, *Chairman*.  
BURTON K. WHEELER.  
ELMER THOMAS.

WASHINGTON, D. C., December 22, 1931.

*Tribal and gratuity expenditures, 12 southwestern reservations, fiscal year 1930*

[Reimbursables, treaty annuities, and per capita payments excluded. Tribal fund expenditures include expenditures from the 8 per cent fund derived from proceeds of timber sales. Population resident on reservations, as given by Commissioner of Indian Affairs for 1930. Papago population is that now counted under the Sells (Ariz.) Agency]

#### Tribal funds and expenditures

Reservation	Population	Tribal fund, total	Gratuity, total	Tribal per capita	Gratuity per capita	Total expenditures	Total per capita
Mescalero Apache.....	680	\$110,774.00	\$97,661.00	\$163.00	\$143.00	\$208,436.00	\$306.00
Jicarilla Apache.....	638	83,038.00	64,842.00	102.00	131.00	148,880.00	233.00
Fort Apache Apache.....	2,633	222,891.00	165,440.00	85.00	62.00	388,131.00	147.00
San Carlos Apache.....	2,393	91,099.00	104,087.00	38.00	43.50	195,186.00	81.50
Papagos, Ariz. (Sells).....	5,400	1,252.00	86,908.00	.21	16.00	88,260.00	16.21
Pueblos, N. Mex.....	10,579	7,109.00	380,513.00	.70	36.70	387,622.00	38.40
Pimas, Ariz.....	4,449	15,646.00	177,359.00	3.50	39.00	193,005.00	42.50
California, outside Yuma.....	18,509	14,977.00	444,607.00	.55	24.00	459,584.00	24.55
Mission Indians, Calif.....	2,856	1,113.00	143,501.00	.40	50.00	144,614.00	50.40
Colorado Utes.....	1,636	153,314.00	150,125.00	94.00	92.00	303,439.00	186.00
Uintah and Ouray, Utah.....	1,032	110,838.00	180,737.00	108.00	33.50	291,595.00	141.50
Navajo and Hopi.....	42,953	225,980.00	1,835,740.00	5.00	42.70	2,069,720.00	47.70

#### OTHER RESERVATIONS

Shoshone.....	1,086	\$179,747.00	\$295,473.00	\$99.00	\$41.00	\$475,120.00	\$140.00
Klamath, Oreg.....	1,052	262,189.00	5,623.00	249.00	5.50	267,812.00	254.50
Osage, Okla.....	1,115	420,918.00	423.00	137.13	.13	421,342.00	377.13
Menominee, Wis.....	1,263	173,455.00	16,761.00	129.03	.03	173,445.00	129.03
	1,939			80.80	8.00		89.40

<sup>1</sup> Restricted.

<sup>2</sup> Unrestricted.

<sup>3</sup> Exclusive of Menominee timber-mill costs.

Mr. WHEELER. Let us take the Jicarillo-Apache Reservation. On that reservation there is no timber to care for, hence the excuse for expending the money is absent. Yet the per capita expenditure by the bureau in 1930 was \$233, of which \$102 came out of the tribal fund. The Jicarillo-Apache Indians have had timber, but it is now cut, entirely gone. They have lost their timber. Yet the department still maintains a tremendous bureau there for the purpose of looking after the timberlands and other interests of the Indians.

Superintendent Graves, of that reservation, testified before the committee last May that there could be no more

cutting of timber on that reservation for a period of 50 years. Yet the bureau of forestry has built up down there and still has a great organization.

The tabulation at the end of the Mescalero report shows that wherever tribal funds exist, there the Indian Bureau spends lavishly. It spends economically only where there are no tribal funds.

For instance, I would like to call the attention of the Senator from Utah to this fact, that the Papago Indians of Arizona have no tribal fund, and their per capita is only \$16.21. The Senator says in an aside that they have sheep. That is true, but you have not loaded them down with a

tremendous number of bureaucrats as you have the Mes-caleros, or any of the rest of the reservations.

Where the Indians have not tribal funds, the bureau has let them alone. Let me say that you have given less attention to the Papagos, you have given less attention to the Navajo Indians in Arizona than you have to almost any other Indians in the United States who have come under the bureau, and the Navajos and the Papagos, as a matter of fact, are in better shape than practically any other Indians in the United States to-day.

Sixteen dollars for the Papagos, and \$126 spent on each Indian upon the Klamath Reservation.

Sixteen dollars for the Papagos, and \$306 for the Mes-calero Apache Indians.

One tribe has money, the other has to come to Washington and get it from the bureau.

Yet the Senator from Utah tells me that he would believe a bureau official quicker than any of these Indians who come here and ask for economy in their appropriations.

Mr. SMOOT. Mr. President, the Senator has made that statement three or four times.

Mr. WHEELER. Exactly.

Mr. SMOOT. I did say that I would take the word of the bureau as quickly as I would that of the representative to whom I referred at the time I was speaking, or quicker.

Mr. WHEELER. The Senator referred to one of the Indians.

Mr. SMOOT. Yes; but there is more than one Indian in the United States.

Mr. WHEELER. The trouble with the Senator from Utah is that he has been taking the word of the bureaucrats all the time rather than listening to some of the Indians fighting to conserve their natural resources.

Mr. SMOOT. The Indians in Arizona of whom the Senator speaks have never been here to complain. Their situation is entirely different from that of any other Indians in the United States, and the Senator knows it just as well as I do.

Mr. WHEELER. Has the Senator ever visited their reservation? No; he has not.

Mr. SMOOT. I have not visited their reservation, but I do not think it would make a particle of difference.

Mr. WHEELER. No. Of course, the Senator can get much more information by sitting in his office here in Washington and taking the word of the bureaucrats than he can by going out and visiting some of the reservations.

Mr. SMOOT. If any representative of the tribe of Indians in Arizona wanted to be heard, he would be heard; but none wanted to be heard. I called attention to an estimate for an appropriation of \$135,000 which has been sent in here within a few days for the Indians of Arizona.

Mr. WHEELER. Yes; that is because of the unusual conditions resulting from the storm that took place there and the nation-wide publicity that has been given to their condition.

Mr. SMOOT. We have a Senator from New Mexico on the Appropriations Committee and a Senator from Arizona, too, on the Appropriations Committee. I am sure those Senators will look well after the welfare of those Indians.

Mr. WHEELER. I have not the slightest doubt of it, but what I am trying to say to the Senator is that when those Indians have money in their coffers then the Bureau of Indian Affairs has taken out of it \$126 to \$163 for each Indian, but when they have not any money in their coffers then the Senator from Utah would spend only \$16 upon each of them.

Mr. SMOOT. If they have not any money in their coffers, somebody has to take care of them. That has been the policy not only for this year but for years before ever the Senator came into the Senate of the United States.

Mr. WHEELER. Yes; I realize the fact that the bureau has been exploiting these Indians for years, but I am pointing out to the Senator the fact that if he would visit those Indians he would learn that as a matter of fact where he has recommended that there be only \$16 spent on them when the Government had to put up the money, yet if the

Indians themselves have their own funds the bureau is vastly more generous with its recommendations and is now proposing to appropriate \$136,000 a year out of the Indians' own funds to take care of them.

Mr. SMOOT. Of course, I do not want to take the Senator's time, but the Senator knows why there was only \$16 per capita.

Mr. WHEELER. Of course, and I have just told the Senator why.

Mr. SMOOT. The income from their property is a different matter. The nature of the property itself is quite different. It is standing timber. The reservation has nothing on it but standing timber. The Senator speaks of the Indians in Arizona. They are self-sustaining, or just as near self-sustaining as it is possible for them to be. They live just as well as a great percentage of the white people of that country.

Mr. WHEELER. I do not like to disagree with the Senator, but when he says those Indians live as well as a great majority of the white people of the country, that statement is incorrect and it can not be justified from the record. The Senator has not provided for schools on that reservation. There are places on the Navajo Reservation where there are no schools for the Indians to attend at all. The Senator stands in his place with a smile on his face, but that is the fact. It is the indisputable fact.

If he will call the Commissioner of Indian Affairs, he will find there are places down there in New Mexico, where they have no funds that the bureau could get hold of, where they have not a school, and yet there are thousands of Indian children who are not going to school to-day, because the Senator has not given them any funds with which to build schools or furnish teachers for them. But let those Indians have a little money of their own in their treasury, or let them sell some timber or some oil, and then the Senator will immediately furnish them with good school buildings, with plenty of school-teachers, with roads that crisscross the reservation, and with much more than the Indians really need for their welfare.

Mr. SMOOT. In the first place, I want to say that the Senator from Utah did not state that those Indians live better "than a majority of the people." That is what the Senator from Montana said. I did not say it.

Mr. WHEELER. What did the Senator say?

Mr. SMOOT. I said many of the white people in that territory.

Mr. WHEELER. I disagree with that statement, too.

Mr. SMOOT. Of course, the Senator would.

Mr. WHEELER. Of course, I would, because I have been there, and the Senator from Utah has not been there.

Mr. SMOOT. But I know something about the country.

Mr. WHEELER. But the Senator from Utah has merely talked with the bureaucrats up here, and they have told him that, and the Senator in his usual way believes everything they tell him with reference to what is taking place on those reservations.

Mr. SMOOT. I would just as quickly believe anything the Commissioner of Indian Affairs would say to the committee as I would Mr. Crawford, who, the Senator thinks, is as perfect a man as God ever made.

Mr. WHEELER. No, I do not think anything of the kind, but I do say when a man comes here from those Indians, the Senate ought at least to listen to his protests in behalf of the majority of the Indians on that reservation. They have protested, and not alone through Mr. Crawford. He has been elected by a majority of the Indians upon the reservation to come here to Congress and present their wishes.

Mr. SMOOT. He has a perfect right to do it.

Mr. WHEELER. I say that the Senator from Utah and the Appropriations Committee and the Bureau of Indian Affairs, notwithstanding the continuous progress for the last five years that I know of, are still maintaining this tremendously expensive bureau and doing it when the Senator and the administration are talking about economizing in every other way, but they will not economize when they come to spending the funds of the Indians.

Mr. SMOOT. The Senator from Montana must remember that this bill is written in the House of Representatives. They pass upon these items first. There is no reduction by the committee in this body. We have increased the appropriation over and above what the House provided. The Senator must understand that it is not this body which acts originally upon the bill, but the original recommendations are made by the House of Representatives.

Mr. WHEELER. I want to call the Senator's attention also to the California Indians just outside of Yuma. There the bureau spends \$24.58 per capita. There the bureau spends \$24.58 per capita, but on the other reservation it spends over \$163.

Mr. President, I want to call attention to another fact with reference to the investigation made by the Senate Committee on Indian Affairs. The Senator from North Dakota [Mr. FRAZIER] has introduced an amendment to the bill asking that the salary which is being paid to one Mr. Hagerman shall be stricken from the bill or that no part of the appropriation shall be used for that purpose. Mr. Hagerman is only one of a large number of incompetent employees in the service of the Indian Bureau. He is just one of a number that we have suggested to the Commissioner on Indian Affairs ought to be dispensed with because of the fact that it is not only a burden upon the Indians, but it is a burden upon the Government to maintain such incompetent employees.

Mr. Hagerman was appointed by Secretary Fall and was given general supervision over each of the superintendencies located on the Navajo Reservation, and general supervision and administration of the affairs of the Navajo Tribe. About a year ago, I think it was, the Senator from North Dakota [Mr. FRAZIER] offered an amendment to an appropriation bill providing that no part of the fund should be used to pay Mr. Hagerman, charging at that time that Mr. Hagerman was incompetent. The amendment was adopted. But notwithstanding that fact, when the bill went to conference, the item was reinstated in the bill. The department kept Mr. Hagerman on in the same capacity in which he had been serving. They got out a tremendous lot of publicity to the effect that Mr. Hagerman was competent and should be retained.

Charges were filed against Mr. Hagerman by certain Indians to the effect that he had been entirely too favorable to the oil interests in leasing some of their property. I am not at all satisfied that there was any evidence sustaining the charge that Mr. Hagerman was guilty of any corruption in connection with the oil leases. Neither am I convinced at all that there was any evidence of any corruption of any kind or character against Mr. Hagerman. But I invite the attention of the Senator from Utah to the fact that we have a Commissioner of Indian Affairs here in Washington. Then we have an Assistant Commissioner of Indian Affairs here in Washington. We have a head of the forestry division and a head of the agricultural division of the Bureau of Indian Affairs in Washington, as well as the head of the educational division. Then they found a place for Mr. Hagerman and said, "You are to be a commissioner over the heads of all the agents down in the Navajo country." If an agent wanted to write a letter complaining about a situation on a reservation or if he wanted an appropriation or wanted this or that, he was compelled to take it up with Mr. Hagerman. Then when he took it up with Mr. Hagerman, Mr. Hagerman would take it up with the bureau here in Washington, and at some subsequent date perhaps the complaint of the Indians or the complaint of some of the officials on the agency would finally reach Washington.

We first heard Mr. Hagerman's story here in Washington. I challenge anybody in the Senate or elsewhere to read Mr. Hagerman's testimony given before the Committee on Indian Affairs, to read his answers to the questions propounded, and then tell the Senate what policy he pursued as superintendent over all of those agencies. I challenge anybody to read his testimony and tell the Senate what policy he adopted as a member of the Pueblo Lands Board where he was appointed by the Secretary of the Interior. Every time that

he testified before that committee he told a different story. It is impossible to read his testimony and say that Mr. Hagerman knew what he was talking about when he first came before the committee or at any subsequent time excepting that the last time he came there this year, just a short time ago, he did have an outline of a policy which he alleged had been pursued. As a member of the land board he adopted one policy. That was followed for a short time and then it was changed. He and every member of that land board as a matter of fact testified differently as to what was the policy of the land board.

But the Commissioner of Indian Affairs and the Secretary of the Interior have repeatedly said, "Oh, we must keep Mr. Hagerman because he is of such tremendous importance and he is such a great man for the Bureau of Indian Affairs." They said, "He is familiar with all the Indian reservations down through the Southwest. He knows the Indian situation, he knows the wants of the Indians, he has visited all the Indians, and they all have confidence in him."

However, when the committee visited these reservations, where we had been told he had done such important work, we found that Mr. Hagerman had visited one reservation, but had been there only about 10 minutes. It was stated that he drove up in a fine automobile; that he never got out of his automobile; that he talked to the Indians for a few moments and then went on his way. So far as knowing what the conditions were on the various reservations, this man, who had general supervision over all these Indian agencies, had scarcely visited many of them, or, if he had visited them, he had spent only a very few minutes there at any one time; he had never consulted to any extent with the Indians in many places which he visited, and, as a result, all of the Indians down there had lost confidence in him, as had likewise many of the people who were working in the Indian Service.

Mr. President, Mr. Hagerman, who was appointed by the Commissioner of Indian Affairs, exercised the powers to which I have called attention until 1928, when he was removed, as I understand, by Secretary Work on a joint showing made by a representative of the Department of Justice and a high official in the Indian Bureau to the effect that Hagerman was incompetent or inactive in the Navajo matters and also insufficiently active in the Pueblo Lands Board matters. In July, 1928, however, Mr. Hagerman was restored to the office of which Secretary Work had deprived him and was given wider power, covering all jurisdictions in the four States of Arizona, Utah, New Mexico, and Colorado. I am not going to take the time of the Senate to discuss the activities of Mr. Hagerman in connection with the lands board, except to say, as the two Senators from New Mexico are here, that they know what his activities were; they know likewise how the board has failed to carry out the law as enacted by the Congress of the United States; and they likewise know how this board has spent a tremendous amount of money and accomplished practically nothing, either so far as the white settlers are concerned or so far as the Indians are concerned.

Mr. President, after testimony was adduced before the Committee on Indian Affairs, in the first instance, by Mr. Hagerman, and after he had sent statements to the press seeking to try to discredit a member of the committee, it was suggested that we should go to New Mexico. We went to New Mexico, but during the time we were there Mr. Hagerman never appeared before the committee. Notwithstanding the fact that we repeatedly asked him to come there, he did not do so, because, as it was stated, he was ill. However, it is a strange coincidence that the very day on which the committee visited Winslow, Ariz., Mr. Hagerman was in that town that very morning; and although we repeatedly called upon the Commissioner of Indian Affairs and asked him to have Mr. Hagerman present at the hearing, he neglected and failed to appear.

However, a lawyer was employed to appear before the committee, I think, at Santa Fe, although as to the place I can not be sure at the moment; but it is certainly true

that the charge against Mr. Hagerman to the effect that he was incompetent, to the effect that he had neglected the affairs of the Indians, to the effect that it is an unnecessary expense to the Government of the United States to keep him in his present position, was overwhelmingly sustained by the evidence adduced before the committee. His usefulness, so far as the Government of the United States is concerned, in trying to bring about a settlement between the whites and the Indians I am sure is at an end. As I said a moment ago, and I repeat now, from the testimony adduced at the various reservations which we visited, scarcely anyone among the Indians had ever come in contact with Mr. Hagerman or with his work upon the reservation, work which the Commissioner of Indian Affairs states is so valuable and so necessary for the benefit of the department and of the Indians as well.

So I hope when the Senator from North Dakota [Mr. FRAZIER] offers his amendment to eliminate Mr. Hagerman from the pay roll of the Government that it will be adopted. Not only should that be done with reference to Mr. Hagerman but there are a number of other employees on the pay roll of the Bureau of Indian Affairs whose services should likewise be dispensed with. The farmers who are employed on the reservation to instruct the Indians in the science of agriculture ought to be removed and their pay stopped; and furthermore, the number of employees on every single one of the reservations ought to be reduced by one-third to one-half.

Mr. COSTIGAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Colorado?

Mr. WHEELER. I yield.

Mr. COSTIGAN. Approximately how much will be saved if the amendment of the Senator from North Dakota shall be adopted?

Mr. WHEELER. In sums of money it will be very little, but the important thing about it is that there is being kept on the pay roll a man in whom the Indians have no confidence and in whom many of the whites have no confidence, and the Indians have petitioned time and again, saying they did not want him to represent them upon the land board or anywhere else. The Senator from Colorado will understand that Mr. Hagerman was appointed by the Secretary of the Interior, supposedly to represent the Indians in the Navajo country, and supposedly to look after their interests. He holds two offices, one as commissioner general of all the Navajo Indians, or he did hold that office quite recently, unless there has been a change, and also the office of commissioner of all the Indian reservations down there, having supervision of the reservations. He also holds a further position by virtue of which he is a member of the board called the Pueblo Land Board.

Mr. COSTIGAN. Has the committee of which the able Senator from Montana is a member submitted a report to the Senate on this subject?

Mr. WHEELER. We submitted one report, in which we recommended that Mr. Hagerman be discharged, and last year the Senate of the United States went on record on the subject and by a vote inserted in the appropriation bill then pending a provision to the effect that no part of the appropriation should be used for paying his salary; but, notwithstanding the fact that the Senate of the United States thus went on record and notwithstanding the fact that the Committee on Indian Affairs went on record to the effect that Mr. Hagerman should be discharged, the Commissioner of Indian Affairs and the Secretary of the Interior insisted upon keeping him upon the pay roll, although practically all the Navajo and the Pueblo Indians are against him and do not want him to represent them on this board and have protested against it to the committee. The Department of the Interior flaunts not only the United States Senate in the face but it flaunts the subcommittee of the Committee on Indian Affairs in the face, and it flaunts the wishes of the Indians themselves in the face, by keeping this man upon the pay roll to handle the affairs of the Indians.

In the first place, there should not be any position such as the one that has been outlined and which is now held by Mr. Hagerman. There are Indian agents in charge of each and every one of the Indian reservations, and if those agents are not competent to handle the work they ought to be discharged.

Mr. KING. Mr. President—

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Utah?

Mr. WHEELER. I yield.

Mr. KING. I have read most of the testimony taken by the Committee on Indian Affairs that has been investigating the Indian situation, including the testimony regarding Mr. Hagerman. Will the Senator elaborate his statement concerning Mr. Hagerman's activities in connection with the New Mexico Indians?

As I recall, there was a controversy between the white settlers and the Indians. After the Senator from New Mexico came to the Senate he aided in working out a plan for the settlement of that controversy. The settlers claimed that they had occupied for many years land the title to which was claimed by the Indians; that they had made valuable improvements thereon; and that to deprive them of the land would be a grave injustice.

A board was created, as I recall, in order to determine what should be paid by the Government to the Indians by way of compensation for the lands which would be retained by the whites. This board, after making a comprehensive examination, found the value of the Indians' holdings—that is, the land occupied by the white settlers—and recommended payment of \$2,000,000 to the Indians.

Mr. Hagerman was presumed to represent the Indians, to be their guardian, charged with the duty to protect their interests. Notwithstanding the findings of the board, Mr. Hagerman so dominated it that the award was reduced from \$2,000,000 to \$600,000. A bill has been introduced, as I understand, by the Senator from New Mexico [Mr. BRATTON] and his colleague for the purpose of rectifying, in part at least, the wrong which had been committed, and to pay to the Indians a million dollars. Do not the facts show that Mr. Hagerman was not loyal to the Indians and, as some Indians believe, betrayed them in that controversy?

Mr. WHEELER. I do not know that I would want to go as far as the Indians referred to by the Senator from Utah and say that he betrayed them; but I will say this, and this is the fact:

This board went out and appointed appraisers to appraise the Indians' lands and their water rights. In the first case, after the appraisement was made, as I recall the testimony—the Senator from New Mexico will correct me if I am wrong—they accepted the amount that had been found by their own appraisers as the value of the Indians' water rights and their land, and paid the Indians that amount. In subsequent dealings with the Indians' lands and water rights, however, they appointed appraisers who went out and, as the testimony shows, made a very careful appraisement of the Indians' property, of their water rights, and of their lands; and then, after that appraisement was made by their own appraisers, by men who they said were competent, by men in whom they admitted they had confidence, they simply cut the appraisement to a very much lower amount. I have forgotten the exact figure.

Mr. BRATTON. Mr. President, will the Senator yield?

Mr. WHEELER. Yes; I yield.

Mr. BRATTON. In the first case, the one to which the Senator referred, the awards by the board were on the basis of \$100 per acre. Thereafter the board adopted an arbitrary rule fixing \$35 per acre as the maximum figure, and all awards made subsequently were governed by that rule. Thirty-five dollars per acre was the extreme limit; and with the kindness of the Senator from Montana, I may say in that connection that there is no substantial difference between the value of the lands in the first case and the value of the lands in the subsequent cases.

I do not agree with the action of the board in fixing that arbitrary figure. I think it was a mistake of judgment,

against the interest of the Indians; and the purpose of the bill which is now pending on the calendar is to correct that mistake and to do justice toward the Indians.

Mr. KING. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. KING. May I ask my friend the Senator from New Mexico if it was not the understanding of the Indians that Mr. Hagerman had been appointed as Assistant Secretary, or assistant to the Secretary and assistant to the Indian Bureau, for the purpose of looking after and protecting the rights of the Indians, including those involved in this controversy?

Mr. BRATTON. Of course Governor Hagerman held the two positions at the same time. His first position was that of special assistant to the commissioner, and as such he had supervisory control of the several Indian agencies in that section of the country. The other position was that of a member of the Pueblo Lands Board. It may be asserted that his duties in one respect did not conflict with his duties in the other respect, but at the same time I think the fact that he held both positions might well have led the Indians to believe that he would resolve every doubt in their favor. I think that is a reasonable assumption under the facts.

Mr. KING. Did not he insist upon this arbitrary figure, which reduced the appraisement of \$2,000,000 to \$600,000?

Mr. BRATTON. The Senator's figures are slightly in error. As I recall the facts, the \$2,000,000 to which the Senator referred includes what is called the Taos claim that the Indians surrendered with the understanding that they were to be given in lieu thereof what is called the "Blue Lake area." With that eliminated, the figures total about \$1,300,000. That represents in substance the appraisements made by the appraisers appointed by the board. The awards total about \$600,000. Thus, the difference is approximately \$700,000 between the total appraised values and the total awards. Those are the figures as I recall them.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. SMOOT. Has the Senator from New Mexico made up his mind as to the value per acre of the land involved?

Mr. BRATTON. Yes.

Mr. SMOOT. Was the land worth \$100 an acre?

Mr. BRATTON. Oh, yes; Mr. President. A great deal of that land, with water rights, is worth more than \$100 per acre. One hundred dollars per acre is not an excessive figure. Thirty-five dollars per acre is a grossly inadequate figure. I have no hesitancy in saying that.

Mr. SMOOT. I knew the Senator's position on the matter, because he had stated it to the committee. That is the reason why I wanted to bring out that fact at this particular time.

When the land was first appraised at \$100 an acre there was no development there of a water system, was there?

Mr. BRATTON. Oh, yes.

Mr. SMOOT. I mean, to cover the whole land?

Mr. BRATTON. I think as much so in that pueblo as in any of the others. I do not think there is any substantial difference in the degree of development of water.

Mr. SMOOT. What I wanted was to get the picture just as it was. I may be wrong in my recollection about it, but it is that when the first appraisal was made of the lands it was made with no developed water rights or the use of water upon the land at that time. Was that universal on the land that was valued at \$100 an acre?

Mr. BRATTON. Yes. As I recall, the first case, that is to say, the pueblo where they fixed the figure of \$100 per acre, was the Tesuque Pueblo, which is located a few miles out of the city of Santa Fe. In that pueblo they fixed the value at \$100 per acre for the land, plus the appurtenant water right. My memory now is that the Nambe Pueblo was the second one, and it was in connection with that pueblo that they established and first declared the \$35 per acre maximum.

Mr. SMOOT. That is as I remember.

Mr. BRATTON. I think there is no substantial difference in the degree of development of water between the two pueblos.

As I understand, Governor Hagerman now says that the reason for the reduction was that the board undertook to divide the water rights into two parts, denominating one primary water rights and the other secondary water rights, and that they intended to compensate the Indians in the Nambe and all subsequent pueblos for only the secondary water rights, reserving to them the primary water rights.

I may say to the Senator from Utah that although I have spent a great deal of my time in New Mexico, and was more or less familiar with the work of the Pueblo Lands Board, I never heard that theory advanced until two or three weeks ago, when the committee was considering the bill which is now on the calendar. Then, for the first time, I heard it stated that such reduction was due to the fact that they had intended to compensate the Indians only for the secondary water rights, and reserved to them the primary water rights.

Mr. SMOOT. That is as I understood it.

Mr. BRATTON. But let me say to the Senator before we leave that subject—

Mr. SMOOT. The Senator has a bill, and it is now on the calendar, as I understand, to correct that very thing.

Mr. BRATTON. Exactly. It is on the calendar now, with a unanimously favorable report from the Committee on Indian Affairs, designed to correct that mistake, do justice by the Indians, and settle, in the best way we can devise, a very complicated situation. I am hopeful that at an early date we may pass that bill and do substantial justice by those Indians. It is long overdue. It is a grave injustice to those Indians, and should be corrected.

Mr. WHEELER. I thank the Senator.

I am not going to go further into the Hagerman matter, except to say that the testimony taken before the committee showed conclusively that at the outset the board had no plan; that they appointed their appraisers, men who they testified were competent; but after appointing them they arbitrarily disregarded all of the appraisers' work, all of their recommendations, and arbitrarily fixed, as the Senator from New Mexico says, the figure of \$35 per acre; and they did it in violation of both the letter and spirit of the law.

Now, Mr. President, I am going once more—

Mr. KING. Mr. President, before the Senator leaves that subject, will he permit an interruption?

Mr. WHEELER. I yield.

Mr. KING. It seems to me the Senator ought to put into the Record as a part of his remarks, if he does not object to it—or, if he prefers, I will put it in at the close—the special report made by the committee of which he was a member dealing with the Hagerman matter. With the Senator's permission, I will read it at this point.

Mr. WHEELER. Very well.

Mr. KING. The report is as follows:

[Sen. Rept. No. 25, pt. 3, 72d Cong., 1st sess.]

Mr. FRAZIER, from the Committee on Indian Affairs, submitted the following partial report (pursuant to S. Res. 79 and 308, 70th Cong., and S. Res. 263 and 416, 71st Cong.):

Pursuant to said resolutions and within the limits of its authority the subcommittee of the Senate Committee on Indian Affairs has conducted its survey and investigations generally among the various Indian tribes of the United States, and in pursuance of such investigation the subcommittee has held numerous hearings in Washington and within the States of New Mexico and Arizona inquiring into the charges of neglect of duty and misconduct of one Herbert J. Hagerman, special commissioner to negotiate with Indians in New Mexico, Arizona, Utah, and Colorado, and formerly a member of the Pueblo Lands Board. At the numerous and exhaustive hearings which were held in Washington, Mr. Hagerman was present, but in New Mexico and Arizona he failed to appear.

The printed testimony is found in parts 11, 17, 18, 19, and 20, hearings of the subcommittee.

The subcommittee finds that said Hagerman in his said capacity as a member of the Pueblo Lands Board failed, neglected, and refused to comply with the mandate of Congress (act of June 7, 1924, 43 Stat. 636) creating and controlling that board, in that he failed, neglected, and refused to find the fair market value and to award fair compensation to the pueblos when ownership of land

and water rights were extinguished through the actions of the board in violation of section 6 of said act of June 7, 1924.

And by reason of such failure, neglect, and refusal to comply with the provisions of the act the Government has been put to great expense, while the board has not disposed of the claims and counterclaims of the Indians and white settlers as was intended by Congress and provided for in the act, but on the contrary has beclouded the situation, has complicated the issues by trying to read into the act and the judicial decisions an arbitrary and fantastic theory, has practically forced the Indians to institute independent suits of wholesale character, and has brought about a situation forcing Congress to legislate anew in order to accomplish the results plainly intended by the said act of June 7, 1924.

The subcommittee further finds that he has in numerous particulars neglected his duties as such special commissioner to negotiate with Indians in New Mexico, Arizona, Colorado, and Utah, with resultant serious injury to the property and the tribal interests of the Indians, and has completely lost the confidence of the vast majority of the Indians of the Southwest, who have petitioned the subcommittee that he shall no longer represent them or act in the capacity of such commissioner, and the committee is of the opinion that he is unfitted for the position assigned to him by the Secretary of the Interior.

The subcommittee further finds that the said office of special commissioner to negotiate with Indians, etc., is an unnecessary extravagance on the part of the Government. It is the belief of the subcommittee that the superintendents upon the various reservations should be held responsible for the management of the affairs of the reservations to which they are assigned and should make their reports directly to the Indian Bureau rather than through some intermediary, and that if there are superintendents or agents incapable of managing the affairs of a reservation or unable to maintain the confidence and respect of the Indians, they should be replaced by men who have the necessary qualifications to handle the business and social problems involved. The present system of having superintendents report to Commissioner Hagerman makes for delay and inefficiency, stifles the enterprise of competent superintendents, and serves as a barrier behind which the Commissioner of Indian Affairs escapes responsibility.

The subcommittee's conclusions are supported by records, complaints, allegations, and admissions contained in the printed hearings, and in records, documents, and files of the subcommittee.

Wherefore the subcommittee recommends that Mr. Hagerman's position be abolished, that there be no future appropriation for his salary and expenses, and that he be removed from the Government service.

Respectfully submitted.

LYNN J. FRAZIER, *Chairman.*  
B. K. WHEELER.  
ELMER THOMAS.

MR. WHEELER. Mr. President, a moment ago I was looking for a list of the employees upon the Klamath Reservation. I did not have it at hand then. For the edification of the Senate, I want to have you listen to these salaries and to the names of these people.

C. M. Blair, the superintendent, receives a salary of \$4,800.

H. L. Shilling, of the day school, receives a salary of \$1,860.

E. E. Patterson, physician, receives a salary of \$3,000.

C. A. Gossett, principal clerk, receives a salary of \$2,700.

Mildred D. Neave, clerk, receives a salary of \$1,920.

Milton L. Smith, clerk, receives a salary of \$1,820.

Vera T. Lamb, clerk, receives a salary of \$1,680.

Burney O. Wilson, clerk, receives a salary of \$1,620.

John R. Lynn, clerk, receives a salary of \$2,300.

Dorothy K. Dillstrom, clerk, receives a salary of \$1,800.

Clara L. Allen, clerk, receives a salary of \$1,500.

Florence J. Edwardson, clerk, receives a salary of \$1,620.

Those are all clerks in the office, and the total number of Indians, as I read a moment ago, is five or six hundred adults. There is a superintendent and there are nine clerks in the office on that reservation.

There is John W. Libby, ranger, receiving \$2,000.

There is Louis C. Mueller, special officer, \$2,300.

There is William A. Bonnell, carpenter, \$1,800.

Those Indians have been under our tutelage for the past 25 years, and we have done so much for them, in the opinion of the Senator from Utah, and why should they not hire an Indian to do the carpentry work upon that reservation? We have had them under our tutelage for all this period of time, and yet the bureau can not find an Indian who is competent to be a carpenter out there.

There is Floyd Lovelace, stockman, drawing \$1,740.

Why is it that they can not find an Indian to do the work and receive the salary of a stockman on that reservation? We have had them under our tutelage. We have been

spending money for farmers, we have been spending money for stockmen, we have been spending money for schools, but they can not find an Indian, they tell us, competent to do the work of a stockman to look after the stock.

There is Bertha D. Wallace, field matron, \$1,680.

David Chacktoot, private, \$540. He is an Indian. I can tell that by the salary he receives.

Warren B. MacMillan, forest examiner, \$2,750.

Silas O. Davis, ranger, \$2,000.

Edward W. Weave, ranger, \$2,100.

Edwin Wessen, junior forester, \$2,000.

Arlie W. Toole, forest assistant, \$2,300.

Harold Weaver, forest assistant, \$2,500.

Floyd H. Phillips, forest assistant, \$2,300.

Marion J. Gober, forest guard, \$1,860.

Are there not any Indians on that reservation competent to be forest guards? Are there not any Indians, born and raised there and educated by the department, who are competent to be forest rangers or even forest guards?

Clarence A. Middlebush, scaler, \$1,980.

Opie K. Place, scaler, \$1,920.

George C. Hepworth, scaler, \$1,920.

Frank C. Maness, scaler, \$2,040.

Then we have some more rangers.

Robert D. Holtz, ranger, \$2,000.

Allen E. Space, ranger, \$2,300.

Then we have another forest guard—James L. Andrews, \$1,740.

Then we have a supervisor—Frederick R. Moffat, forest supervisor, \$3,300.

Then we have some more scalers.

Phillip J. Duffy, scaler, \$1,920.

Roy Rice, scaler, \$1,860.

Clyde W. Flinn, scaler, \$1,980.

Floyd E. Lamb, scaler, \$1,920.

Then we have senior forest ranger—Stanley J. Johnson, \$2,400.

Earl L. Silver, senior forest ranger, \$2,400.

Nicholas Welter, senior forest ranger, \$2,300.

Just stop and think of what that means, and how that is coming out of the pockets of these Indians.

MR. McKELLAR. Mr. President—

The PRESIDING OFFICER (Mr. Fess in the chair). Does the Senator from Montana yield to the Senator from Tennessee?

MR. WHEELER. I yield.

MR. McKELLAR. On page 192 of the Senate hearings the Senator will find that the salaries have all been raised since last year for all these people, because the salaries are stated here on page 192, and each one is very considerably less than the salaries the Senator has just been reading.

MR. WHEELER. This is as of November 30, 1931.

Inez Rucker, head nurse; Florence Miller, nurse; Pearl I. Clark, nurse; Mattie L. Middlebush, nurse; Anna Foust, laborer; Charles L. Mick, scaler.

Albert Christy—it does not say what his work is, but he draws \$1,860.

Harry G. France, \$1,860.

"Which is aside," as is pointed out in this letter furnished me, "from the agency personnel; that is, paid from the \$75,000 item. As the Interior bill was reported out, \$176,000 of tribal funds would be appropriated, made up as follows," and so forth.

The Indian says:

We estimate our income during the fiscal year 1933 to be \$250,000 or less under present market conditions. This would leave \$74,000 to be placed to the credit of the tribe.

He said further:

I also want to point out that if the \$66,420 will be spent it is approximately 20 per cent of the annual income for forestry work, of which the department should only have 8 per cent, according to their rules and regulations.

MR. President, I serve notice here that unless there is a reduction, unless these Indians are given some of this work on these various reservations, unless they are employed as forest guards, unless they are employed as scalers, unless

they are taken and taught how to use their own property and how to safeguard their own property. I propose to stand here and fight on every single Indian bill that ever comes here. It is an outrage upon the Indians, because of the fact that their money is being spent, their assets are being dissipated, and the Indians are getting no good out of it.

We have had these Indians under our control for 25 years or more, and fine articles are written in some of the magazines by some of the publicists for the Indian Bureau telling of the wonderful work they have done. They pick out some one single individual Indian and hold her up as a great example of what they are doing. But do they ever go to the records and say, "You have here a pay roll of thousands upon thousands of dollars for Indian guards and scalers"?

As I said on the floor yesterday, any Senator who is at all familiar with the lumber business knows that it does not take an expert, a graduate from a forestry school, to be a scaler. What do they take up in Michigan? What do they take in Utah? What do they take in Montana? They go out and find some man who has lived in the forest, who has been around the woods, a man scarcely able to write his own name, but he goes out and scales timber, and he is used in the courts of the States and the Nation as an expert witness to tell about how much timber is scaled. But when it comes to scaling the Indians' land, the bureau must go to some forestry school and pay men \$1,800 to \$2,500 or \$4,000 a year as expert scalers. But you must not discharge them, no matter whether your timber operations are closed down or not; you must keep them on at the Indians' expense, in order to keep a white man's organization together at the expense of the Indians.

Let one of these Indians come here and complain about the superintendent, let him come here and complain against the Indian Bureau, and what do they do to him? They go out on the reservation and dig up every little, petty thing that Indian has ever done in his whole life. If he has ever brought a bottle of liquor onto the reservation—and they find it out—he is prosecuted, he is thrown into jail, he is intimidated. The record is full of the cases of Indians being persecuted because of the fact that they had the temerity to come to Congress to testify. If an Indian ever steps aside in the slightest degree, that man is shown up by the Indian Bureau, which wants to preserve jobs for its employees at the expense of the Indians.

It is no pleasure for me to go about these various Indian reservations and hold hearings and work night and day, it is not a pleasant thing, but it is a duty which somebody has to perform if the Indians are to get any kind of fair treatment from the Government of the United States at all.

The Indian Bureau can not justify these appropriations, the Committees on Appropriations of the House and of the Senate can not justify these appropriations. After 25 or 30 years of control of the Indians of the United States we find them to-day with their lands mortgaged, we find them with their oil resources gone, we find them with their timber gone, we find them poverty stricken, uneducated, and worse off than when the Government took control of them 25 or 30 years ago. They are sent out into the world with incomplete educations, unqualified even to take jobs as forest guards, to protect their own property. We find them, after 25 years of education under the Bureau of Indian Affairs, incompetent to hold jobs as nurses in their own reservations, incompetent to hold jobs as teachers under their own bureau, incompetent to hold jobs as scalers, incompetent to do anything excepting the most menial work, and then, if there is a white man upon the reservation, he generally gets the job, instead of the Indian whose money they are expending.

I would not be appealing for the Indian here if it were not for the fact that the Government is spending his money, and it has no right to do it.

The Indian is the ward of the Government, and I say without fear of contradiction that the way we have handled the Indians of the United States is a shame and a disgrace to this Government of ours, and there should be a change.

#### FOREIGN LOANS IN THE CHEMICAL INDUSTRY

During the delivery of Mr. WHEELER's speech, Mr. HARRISON. Mr. President, will the Senator from Montana yield to me, in order that I may make a unanimous-consent request?

Mr. WHEELER. Yes.

Mr. HARRISON. Mr. President, I ask unanimous consent that there may be inserted in the RECORD a pamphlet issued by the Chemical Foundation of America, incorporating a letter addressed to Hon. REED SMOOT on December 31, 1931, and signed by Francis P. Garvan. It touches the question of loans of American capital to foreign interest to promote the production of foreign products to be sold in competition with our own products and to the destruction of American interests.

It is a very remarkable pamphlet and well worth reading and study.

The PRESIDING OFFICER (Mr. LOGAN in the chair). Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

AMERICAN SAVERS' MONEY LOANED TO WORLD CHEMICAL CARTEL OR ITS ALLIES FOR THE PURPOSE OF CUTTING THE THROAT OF THE CHEMICAL DEVELOPMENT OF AMERICA ESSENTIAL TO ITS NATIONAL DEFENSE, NATIONAL HEALTH, NATIONAL INDUSTRY, NATIONAL AGRICULTURE, AND NATIONAL CULTURE

[Letter received in evidence by the United States Senate Committee on Finance, January 7, 1932]

THE CHEMICAL FOUNDATION (INC.),

654 Madison Avenue, New York City, December 31, 1931.

[Chartered for the advancement of chemical and allied science and industry in the United States without financial profit to itself. Francis P. Garvan, president; George J. Corbett, vice president; William W. Buffum, treasurer and general manager; Paul Smith, secretary; Joseph H. Choate, Jr., general counsel; B. Howell Griswold, Jr., William G. Mahaffy, and Bradley W. Palmer, trustees]

HON. REED SMOOT,

Chairman Senate Finance Committee,

Washington, D. C.

MY DEAR SENATOR SMOOT: As president of the Chemical Foundation, instituted by the United States Government to encourage chemical industry and research for the protection of the people of the United States in their national defense, in their public health, and in the improvement of their standard of living, it becomes my duty in reference to the subject matter now before your committee to call your attention to certain foreign loans which have been made by our bankers in direct hostility to those interests.

In the first place, the American chemical industry has been under the particular protection of this committee since the days in 1914 when the war forced upon us all the realization that we were indeed "dependent America"—dependent for our dyes, for our drugs, for our fertilizers, for our explosives, etc., etc. It is needless to refer back to Bernstorff's telegram to his home office directing the shutting off of dyes, and thus throwing 4,000,000 men in America out of work; to refer back to Hossenfelter's report that the cries of the hospitals here were growing ever louder and louder and urging upon Germany to continue her policy of shutting off drugs, such as salvarsan for our 10,000,000 syphilitics, luminal for our epileptics, etc., etc. Those days are past—one after another these powers of blackmail by foreign nations have been removed by the persistent development of our chemical industries until to-day we can safely say that our chemists have successfully conquered fertilizers (nitrates from the air, potash, etc.), drugs (100 per cent independent), dyes (94 per cent independent), iodine, artificial silk, plastics, and now, at last, rubber, leaving only coffee and tin in the hands of any foreign nation for the exertion of pressure upon the freedom of this Congress and this people.

When we state that this great national independence has been achieved by the American chemical industry, we mean with the full cooperation of this committee and of Congress, of all the administrations from President Wilson on, of all the colleges and schools in the country, and of all the people in general, with the exception of these international bankers who have never cooperated with American chemistry, but who, on the contrary, have been persistently borrowing the savings of the American people and, for the bribe of huge commissions, have been loaning these savings to the international chemical cartel, or its constituent companies or allies, the cartel whose success is necessarily based upon the destruction of our industry and our independence.

Irrespective of the present investigation, I earnestly request your committee to make a careful investigation of this great cartel, with its branches even in our own country, which is being built up and nourished by American money, handed to them by so-called American bankers.

As your committee has so well understood in reference to these foreign loans in general, the evil has been—

First. The loss forever of a great part of the \$15,000,000,000 loaned abroad.

Second. The loss, during this period of great strain, of the basis of credit which this \$15,000,000,000 would have constituted had it been kept at home. Economists estimate this as at least the loss of seventy-five billions of credit, or five times the base, for which this country is now suffering.

Third. The loaning of the \$15,000,000,000 to foreign competitors of our own manufacturing.

Fourth. Providing the foreign competitors with credit equal to five times the loans, based on the loans.

All these evils can be seen in their intensified form in the international bankers' loans to foreign competing chemical industries. Our chemical industry is faced, not only in our own country but throughout the world, with competitors whose pockets are filled with American savers' money, and with the ability to extend long-time credit based thereon—competitors who either never intend to repay their loans or who intend to buy them up in a depreciated market or 10 or 20 cents on the dollar.

The only defense these bankers have been able to suggest for themselves is that they were encouraging foreign trade. Your Commerce Department will expose this fallacy in detail to you, but the whole fallacy appears in the fact that Germany's export trade to-day, with her natural resources and only 60,000,000 people, has been built up under these foreign loans until it equals our own export trade, with our natural resources and our 120,000,000 people—she, the borrower, and we, the lender. The truth is the world borrows in our market and buys in the cheapest market, or in the case of a monopoly, in the only market.

The following is a list of a few of the loans which I have been able to learn about with my meager facilities. I ask your committee to exert its full powers of subpoena and cross-examination to expose this menace to our people. If not exposed and checked, it threatens our national defense, our public health, and our standard of living. In addition to these loans, full examination should be made into short-term loans, direct loans upon their own securities, and every other form of subterfuge under which our own money is being used to cut our own throats:

**NITRATE COMPANIES COMPETING WITH AMERICAN MANUFACTURERS WHICH HAVE BEEN FINANCED BY AMERICAN MONEY**

*Anglo-Chilean Consolidated Nitrate Corporation*

Sixteen million five hundred thousand dollars, 20-year 7 per cent sinking fund debenture bonds.

Issue price, \$100.

Present market price, \$7.

Issued November 1, 1925.

Due November 1, 1945.

Issued by Lehman Bros., Blair & Co. (Inc.), and Goldman, Sachs & Co.

*The Lautaro Nitrate Co. (Ltd.)*

Thirty-two million dollars, first-mortgage 6 per cent convertible gold bonds, due 1954.

Issue price, \$99.

Present market price, \$9.

Issued July 1, 1929.

Due July 1, 1954.

Issued by the National City Co., Bankers Co. of New York, Brown Bros. & Co., Lehman Bros., and Continental Illinois Co.

*Norwegian Hydroelectric Nitrogen Corporation*

Twenty million dollars, refunding and improvement gold bonds, series A 5½ per cent.

Issue price, \$95.

Present market price, \$52.50.

Issued November 1, 1927.

Due November 1, 1957.

Issued by the National City Co.

NOTE.—Since 1907 the company has been manufacturing nitrates and fertilizers by the electric-arc process and has recently arranged with the I. G. Farbenindustrie for the adoption of the Haber-Bosch ammonia process, now in successful use in Germany, which will permit the company to increase its capacity to an equivalent of 535,000 tons of nitrate of lime a year, or over two and one-half times its present production capacity.

*Ruhr Chemical Corporation (Germany)*

Four-million-dollar sinking fund mortgage, 6 per cent, series A, due April 1, 1948.

Issue price, \$92½.

Present price, \$20 to \$25.

Issued April 1, 1928.

Due April 1, 1948.

Issued by Dillon, Read & Co., International Acceptance Bank (Inc.), and J. Henry Schroeder Banking Corporation.

Also a private loan of \$34,000,000, issued by the National City Co. to the recently organized Chilean Nitrate Co., known as "Cosach," which is capitalized at \$375,000,000. Twenty million dollars of this sum, according to newspaper statements attached, were sold in this country.

The Ruhr Chemical Corporation is engaged in the manufacture of ammonia, nitric acid, and fertilizer. The use of American capital to develop this company is of interest at the present time in view of an agreement recently entered into between France and Germany for the purchase of fertilizer of German manufacture. The Ruhr Chemical Corporation is a member of the German nitrogen cartel.

Before the Great War we were entirely dependent upon Chile for the nitrogen that went into our high explosives and a large part of the nitrogen which was used for fertilizers. To-day, thanks to the efforts of our chemists, we are independent of Chile or any other country for the nitrogen so necessary in either peace or war.

The effectiveness of our own production upon our imports of Chilean nitrate is disclosed by the fact that in 1928 we imported 1,032,918 long tons of Chilean nitrate of soda; in 1930 the importation had dropped to 567,894 long tons, with the outlook for the year 1931 of an even greater diminution. The production of synthetic nitrate of soda in this country has also had a tremendous effect on the price of this fertilizer to the farmer. In December, 1928, the price per hundred pounds of sodium nitrate in this country was \$2.07½ per hundred pounds; now the price is \$1.67 per hundred pounds.

The fixation of atmospheric nitrogen in the United States grew slowly from the close of the war until 1926, when private enterprise fixed about 13,000 tons of nitrogen. Then production began to expand. By 1928 it had risen to 26,000 tons of nitrogen. In 1929 to 84,000 tons, and in 1930 to 140,000 tons.

The figures given above are production figures. The growth of capacity is even more striking. In 1928 capacity had risen to 30,000 tons, in 1929 to 135,000 tons, and in 1930 to 175,000 tons. New plants and new units of existing plants have given us a capacity in the year 1931 of approximately 300,000 tons of pure nitrogen. This is the equivalent of more than 1,800,000 tons of nitrate of soda.

If the United States should become involved in a war of major proportions, it would require for military explosives a maximum of less than 140,000 tons of nitrogen annually. The situation in event of war, therefore, is briefly as follows:

	Tons
Needed for agriculture.....	350,000
Needed for military purposes.....	150,000
Needed for industry.....	100,000
Total.....	600,000

To meet these needs we shall have the following capacities by the close of this year:

	Tons
By-product.....	200,000
Synthetic.....	300,000
Organic.....	50,000
Total.....	550,000

In other words, there will be a shortage of only 50,000 tons, which can readily be covered by increasing the capacity of our synthetic and by-product plants. As they are readily susceptible of a 10 to 20 per cent increase, our practical independence for peace and war needs combined is assured.

The United States also has been dependent upon Chile for its supply of iodine, an indispensable antiseptic. American chemists have found a way of producing iodine in this country, and in case of an emergency could produce the amount sufficient to meet the needs of our country.

*American I. G. Chemical Corporation*

Thirty million dollars, 5½ per cent convertible debentures guaranteed by German I. G.

Issue price, \$95.

Present market price, \$59.

Issued May 1, 1929. Due May 1, 1949.

Issued by the National City Co.; International Manhattan Co.; Lee, Higginson & Co.; Harris, Forbes & Co.; Brown Bros. & Co.; Bankers Co. of New York; the Equitable Trust Co. of New York; and Continental Illinois Co.

The bonds of the American I. G. are convertible into common "A" stock. Perhaps for the first time in the history of financial issues in America the company is given the right to redeem these common "A" shares, in all or in part, in cash, at a price to be fixed by its market value, irrespective of its actual value. In other words, the German I. G. has within its power to always take back the 100 per cent ownership of the common stock of this corporation upon terms which can be manipulated by itself.

The international dye cartel until recently was composed of Germany, France, and Switzerland, but now includes England. Your committee will note that England and France, our largest foreign debtors, have joined hands with Germany in an agreement to divide the markets of the world for the sale of dyestuffs in direct competition with our American manufacturers.

Reports of this international cartel say that the agreement for a world dye cartel is designed primarily for an exchange of information and discoveries, as well as the control of competition approximately within the lines of the present division of world markets among the major companies. German chemical-trade circles believe that the reaching of this agreement is especially noteworthy, because the British interests adhered to it before the present Government had reached a decision on the future trade policy of Great Britain. The new world agreement in synthetic dyestuffs does not include the American market. The reason for this is obvious.

The inclusion of Great Britain in the international dye cartel is due to the efforts of Dr. Carl Bosch, chairman of the executive committee of the I. G. Farbenindustrie, a great German chemical monopoly. Doctor Bosch is also chairman of the board of direc-

tors of the American I. G. Chemical Corporation, which he caused to be formed in this country in 1929. This latter company is owned and controlled by the German company. Soon after its organization, a syndicate headed by the National City Co. floated the loan of \$300,000,000 of 5½ per cent convertible debentures guaranteed by the German I. G.

The full board of directors of the American I. G. is as follows: Prof. Dr. Carl Bosch, chairman of the executive committee, I. G. Farbenindustrie.

Mr. Walter Teagle, president Standard Oil Co. of New Jersey.  
Mr. Charles S. Mitchell, chairman the National City Bank of New York.

Mr. Edsel B. Ford, president Ford Motor Co.  
Mr. Paul M. Warburg, chairman International Acceptance Bank, Inc.

Mr. Adolf Kuttroff.  
Mr. H. A. Metz, president General Aniline Works (Inc.).  
Mr. W. E. Weiss, vice president Drug, Inc.

Dr. Herman Schmitz, member executive committee, I. G. Farbenindustrie.

Dr. Wilfrid Greif, member executive committee, I. G. Farbenindustrie.

According to the book American Loans to Germany, by Robert R. Kuczynski, in conjunction with the Institute of Economics, of Washington, D. C., the following private short-term loans were made to German industries in direct competition with American industries:

Date	Borrower	Creditor country	Managing banks	Nominal capital	Maturity	Interest rate
Sept., 1926	Elbenfeld Dye Works, chemical factory, Griesheim.	America	Dillon, Read & Co.	\$2,500,000	6 months <sup>1</sup>	Per cent
Dec., 1926	Dye Industry I. G.	do	do	4,500,000	do	do
Sept., 1924	Potash Syndicate.	do	Chase National Bank	6,000,000	do	do
Jan., 1925	Wintershall (Potash).	do	do	10,000,000	do	7½
Apr., 1925	Potash Industry (Inc.), Cassel.	do	do	2,000,000	9 months <sup>2</sup>	9

<sup>1</sup> April, 1925.

<sup>2</sup> Jan. 23, 1925.

Very truly yours,

FRANCIS P. GARVAN.

[From the Oil, Paint, and Drug Reporter, December 29, 1930]

CHILEAN NITRATE LOAN COMBATED BY GARVAN—CHEMICAL FOUNDATION PRESIDENT CALLS ON BANKS NOT TO JEOPARDIZE THE UNITED STATES

Financial institutions in the United States are being urged by Francis P. Garvan, president of the Chemical Foundation, this city, to refuse to participate in the proposed financing of the Chilean nitrate of soda combine. Mr. Garvan declares that the unification and development scheme of the Chilean nitrate producers, by reason of the understandings existing between them and the German producers of synthetic nitrogen fertilizers, is nothing other than a step toward the strengthening of foreign competition against the nitrogen industry of the United States.

In a telegram sent December 22 to 5,000 banks in all parts of the United States, Mr. Garvan said:

"Information reached United States banks of country about to be asked to loan one hundred millions of money of their awards and depositors to Chilean Government and Chilean-German nitrate cartel. Request you not to foster this attempt to send our funds to aid German and Chilean interests in destroying our nitrate industry which is backbone of our national defense and agricultural progress. It is question of banking morality and patriotism. Will send you complete analysis of situation immediately offering is announced."

With a view of interesting Congress and administration officials in the national-welfare aspect—as he sees it—of the proposed Chilean financing, Mr. Garvan sent, December 23, to the Members of Congress and to a number of high Government officials the following telegram:

"In this hour of national distress certain financiers are contemplating the loan of one hundred million dollars of the savings of the American people to the German-Chilean nitrate cartel. Any examination of this loan, no matter what its disguise, will quickly show it to be in the interest of the world-wide German-Anglo-Chilean nitrogen combination and will also show that the success of that combination will be measured by the extent of its destruction of our own chemical industries, which are now able to produce the present consumption and by the summer of next year will be equal to the normal consumption of this country. This means that our agricultural independence and our national defense is threatened by this combine, and to draw on our own people's savings to our national hurt, I maintain, calls for your resistance in every possible way at your command. All essential facts are within the knowledge of the proper departments of the Government, and you can seek governmental advice if my assertions are a question."

[From the Journal of Commerce, January 15, 1931]

CHILE NITRATE AGREEMENT ON NEW BASIS NOW SEEN—FINANCE MINISTER RUIZ EXPRESSES CONFIDENCE IN OUTCOME OF CONFERENCES HERE—DELEGATES REARRANGING CAPITAL STRUCTURE—ANNOUNCEMENT OF COMPLETE PLANS IS EXPECTED IN THE NEAR FUTURE

(Special cable to the Journal of Commerce)

SANTIAGO, CHILE, January 14.—Carlos Castro Ruiz, newly appointed Finance Minister of Chile, said in his first public speech to-day that negotiations for the financing of the Cosach, or National Nitrate Co. of Chile, were nearing completion in New York and that an announcement of the revised plan could be expected in the near future. He said he was extremely confident of the success of the negotiations, which only needed approval by all parties of certain minor changes in the capital structure of the company.

The Cosach is the combine of 28 nitrate-producing companies, which, with the Government as partners, is expected to return the Chilean industry to a stable and paying basis and to strengthen its competitive position in the world markets.

#### FINANCIAL BASIS CHANGED

Changes are being effected in the financial arrangements underlying the development of the Cosach, it was learned in informed quarters yesterday. One of the matters receiving attention at the current conferences between delegates of the Chilean Government and representatives of the companies and the banking groups here is believed to be the reallocation of the stock of the national company, to be distributed among the 28 nitrate-producing units in the Cosach, it was said.

The plan for the financing of the combine, as announced in July by Pablo Ramirez, representative of the Chilean Government, placed the authorized capital stock of the company at the equivalent of \$375,000,000. This was to be divided into two classes of equal size, one of which was to be assigned to the Government and the other to be used in acquisition by the national company of the individual producing corporations. Each class was to be of 15,000,000 shares of stock of the par value of 100 pesos. The class B stock, that to be used by the company, might be divided into 5,000,000 shares of 7 per cent preference stock and 10,000,000 ordinary shares, the plan showed.

[From the New York Times, March 19, 1931]

LOAN OF \$34,000,000 FOR NITRATE DEAL—NATIONAL COMPANY OF CHILE VIRTUALLY COMPLETES PLAN FOR SALE OF BONDS—PART WILL GO TO EUROPE—LUMP-SUM PAYMENTS TO THE GOVERNMENT ARRANGED IN LIEU OF EXPORT TAX

The National Nitrate Co. of Chile has practically completed arrangements for the sale of \$34,000,000, seven per cent bonds to an international banking syndicate, it was learned yesterday. It is understood that \$50,000,000 of these bonds will be authorized, but that not all of them will be sold publicly. The proceeds of \$26,000,000 of the issue are to go to the Chilean Government as the installment due it for 1931 in return for the cancellation of the export tax. The remainder will probably be used for working capital and additional construction.

It is believed that a substantial amount of the issue will find a market in Europe. While present plans call for the sale of one half the bonds here and the other half in England, it is understood that if the participation of French and other continental bankers is obtained the proportion allotted to the American market will be reduced to about \$10,000,000.

Under the terms of the agreement with the Chilean Government through which the National Nitrate Co. of Chile was formed, the Government will receive \$22,500,000 this year, \$20,000,000 in 1932, and \$17,500,000 in 1933 in lieu of the export tax formerly levied on nitrate and iodine. These sums represent an approximation of the revenues the Government would have received from the export tax.

The bond issue will have a sinking-fund obligation, it is said. To take care of this and other charges in connection with the issuance of the bonds, it is understood that the company will segregate a certain sum on each ton of nitrate exported.

Mr. WHEELER. Mr. President, if I had known that the Senator from Mississippi was going to be so cruel to the Senator from Utah in calling the whole Senate's attention to these loans that have been made, I doubt that I would have yielded for that purpose.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Utah?

Mr. WHEELER. I yield.

Mr. SMOOT. The Senator from Montana need not be worried about the Senator from Utah. The Senator from Mississippi referred to foreign loans?

Mr. HARRISON. Yes; the document touches the subject matter which the Committee on Finance investigated.

Mr. SMOOT. That is perfectly all right. I want to say to the Senator from Montana that I do not know whether he would like to have those loans canceled or not. The Senator from Utah, however, is not in favor of their cancellation.

Mr. WHEELER. I am glad to know that.

Mr. SMOOT. The Senator from Montana ought to have that information for I have made the statement publicly many times.

Mr. KING. Mr. President, will the Senator from Montana yield to me?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Utah?

Mr. WHEELER. I yield.

Mr. KING. The investigation did not relate at all to the indebtedness due the United States from foreign countries who were associated with the United States during the World War. The investigation conducted under the resolution submitted by the senior Senator from California [Mr. JOHNSON] related to loans which had been made largely through the banks of New York without due regard to the American people or to those upon whom they unloaded the securities of foreign countries. That is what this letter refers to and not the loans made by the United States to its allies during the World War. I have never heard such a statement, until my colleague just mentioned it, that there should be a cancellation of the loans made by the banks to foreign municipalities and foreign countries and to their nationals. The evidence before the committee was elicited under the resolution of the Senator from California.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Montana yield to the senior Senator from Utah?

Mr. WHEELER. I yield.

Mr. SMOOT. I have received many letters in relation to the cancellation of foreign debts, and the request of the Senator from Mississippi that this letter be inserted in the RECORD I thought had reference to the cancellation of those debts.

So far as the other loans are concerned, they never entered my mind; and if that is what this letter relates to, I will say I can not even recall the letter, although, no doubt, it has been received, for I receive many, many such letters.

After the conclusion of Mr. WHEELER's speech,

#### INTERIOR DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 8397) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1933, and for other purposes.

Mr. SMOOT. At the request of the junior Senator from Michigan [Mr. VANDENBERG] and the senior Senator from Tennessee [Mr. McKELLAR] for an itemized statement of the unexpended balances of appropriations heretofore made for the items in the pending bill I have the information in detail.

The total is \$3,596,577. The unexpended balance in the Virgin Islands item is \$101,000; Office of Education, \$5,000; Indian Bureau, \$1,512,500; National Park Service, \$16,000; Bureau of Reclamation, \$1,962,077.

I shall put the statement into the RECORD, giving the unexpended balance in each of the items.

The statement is as follows:

#### UNITED STATES DEPARTMENT OF THE INTERIOR, OFFICE OF THE SECRETARY, Washington, March 9, 1932.

Virgin Islands approximate unexpended balance \$101,000 at the end of fiscal year 1932, for use on projects already authorized and that will be started during the present fiscal year.

E. K. BURLEW.

#### UNITED STATES DEPARTMENT OF THE INTERIOR, OFFICE OF EDUCATION, Washington, March 9, 1932.

Memorandum for Mr. Burlew.

In response to a request from your office, I submit below an estimate of the unexpended balances of prior-year appropriations which will be transferred for expenditure in the 1933 fiscal year:

Investigation of teacher training, Office of Education, 1931	\$2,800
Investigation of teacher training, Office of Education, 1932	2,200
	5,000

L. A. KALBACH, Chief Clerk.

#### Indian Bureau

	Approximate
General expenses, Indian Service (general).....	\$4,000
Surveying Pueblo Indian lands (general).....	500
Payment to Loyal Shawnee Indians (obligation to Indians, special act of Congress).....	100,000
Obtaining employment for Indians (general).....	10,000
Suppressing contagious diseases among livestock (general).....	3,000
Irrigation, Indian reservations, permit (general).....	1,000
San Carlos irrigation system, Arizona (construction).....	150,000
Drainage of Kootenai Indian lands (construction).....	114,000
Flathead irrigation project, Montana (construction).....	20,000
Middle Rio Grande Conservancy District, N. Mex. (construction).....	59,000
Wapato irrigation project, Washington.....	170,000
Employees' building, San Carlos, Ariz.....	7,000
Improvements at Pawnee Indian School, Oklahoma.....	20,000
Boys' dormitory, Theodore Roosevelt School, Arizona.....	65,000
Employees' building, Haskell Institute, Kansas.....	7,000
School building, etc., Mount Pleasant, Mich.....	27,000
Boys' dormitory, Chillicothe School, Oklahoma.....	15,000
Central heating plant, etc., Sequoyah School, Oklahoma.....	35,000
Water supply, Rapid City, S. Dak.....	5,000
Construction of hospitals at Pierre, S. Dak.; Albuquerque, N. Mex.; Clinton, Okla.; Winslow, Ariz., etc.....	700,000
Total.....	1,512,500

#### UNITED STATES DEPARTMENT OF THE INTERIOR, NATIONAL PARK SERVICE, Washington, March 9, 1932.

Mr. E. K. BURLEW,  
Administrative Assistant and Budget Officer.

DEAR SIR: In accordance with the verbal request from your office, I have to advise you that the pending Interior Department appropriation bill provides for the reappropriation of the following amounts:

Carlsbad Caverns National Park, 1932, \$13,000 for the electric system.

National monuments, 1931, \$3,000 for a water supply at Chaco Canyon National Monument.

Emergency reconstruction and fighting forest fires in national parks, 1932, no unexpended balance will be available.

Sincerely yours,

A. E. DEMARAY,  
Senior Assistant Director.

#### DEPARTMENT OF THE INTERIOR, BUREAU OF RECLAMATION.

Statement of estimated unexpended balances of fiscal years 1929, 1931, and 1932 appropriations to be continued available during the fiscal year 1933

Project or item	1929	1931	1932 (estimated)	Total
Examination and inspection of projects.....			\$19,939	\$19,939
Operation and maintenance of reserved works.....			35,000	35,000
Minidoka project, Idaho.....			100,000	100,000
Milk River project, Montana.....			7,000	7,000
Carlsbad project, New Mexico.....			20,000	20,000
Rio Grande project, New Mexico-Texas.....			30,000	30,000
Owyhee project, Oregon.....	\$600,000		400,000	1,000,000
Baker project, Oregon.....			50,000	50,000
Klamath project, Oregon-California.....			40,000	40,000
Belle Fourche project, South Dakota.....			32,000	32,000
Salt Lake Basin project, Utah.....			150,000	150,000
Yakima project (Kittitas division), Washington.....			200,000	200,000
Shoshone project, Wyoming.....			17,000	17,000
Secondary projects and economic investigations.....			146,138	146,138
Giving information to settlers.....			15,000	15,000
Total, reclamation fund.....	600,000		1,262,077	1,862,077
Colorado River front work and levee system.....		\$50,000	50,000	100,000
Total.....	600,000	50,000	1,312,077	1,962,077

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. SMOOT. I yield.

Mr. VANDENBERG. Before the Senator passes his memorandum to the desk, may I ask for the detail of the expenses of the Geological Survey with respect to the unexpended balance for topographic service? Is that item available in the Senator's information? The bill reserves \$150,000 of the unexpended balance. I am anxious to know what the unexpended balance is.

Mr. SMOOT. That \$150,000, from the testimony that was given, will not be needed, although they expect to have \$100,000 that will be expended this year.

Mr. VANDENBERG. The Senator has not caught my question. As the language reads, there is an additional balance which is to be closed into the Treasury above and beyond \$150,000, and I am wondering whether that fact is available.

Mr. SMOOT. The appropriation is to be matched by the States. Some of the States have virtually intimated that they could not match the money. The estimate would be \$100,000 for that purpose. If all the States should come in, it would take \$150,000, but if not, of course, it would take less than that amount.

Mr. KING. Mr. President, I have received a statement or petition from a number of Indians which I think should receive the attention of Senators.

I shall read from this statement, which bears date February 26, 1932, and is signed by a number of Indians and approved by a number of white men and women, who are friends of the Indians:

*To the Members of Congress and to Friends of the Indians Everywhere:*

We are Indians, spokesmen of various Indian tribes. We appeal to you because our Indian people are in a state of desperation. We know the truth about the conditions of our people.

May I say that the able Senator from Montana [Mr. WHEELER], who has just addressed the Senate, has depicted a situation upon the Indian reservations that challenges, or should challenge, the attention of the American people and result in a demand for material changes in the policies obtaining in the Indian Bureau. Statements of the character which I am about to read corroborate the position taken by the Senator from Montana. His statements are in harmony with many of the statements found in this petition.

I read:

We do not care anything about officeholders or politics, and yet we are compelled to name the officials at whose hands the Indians are suffering from old wrongs being continued and new wrongs being imposed. We have to be specific, because otherwise we would not be listened to.

Every statement which we here make is supported by records which are conclusive. None of the statements can be successfully disputed.

When Secretary Wilbur and Commissioners Rhoads and Scattergood took office in 1929 we were led to feel a wonderful hope. They announced great programs and made great promises. We assert that they have forsaken their programs. They have broken their promises. They have set up new evils of far-reaching kinds—evils which their predecessors did not sponsor.

We know that the public has been led to think differently from the statement we are making. Secretary Wilbur and Commissioners Rhoads and Scattergood for more than two years have given out throughout the press and radio speeches and otherwise misleading and misinforming propaganda. They have depended on this propaganda instead of depending on action for Indian welfare. We solemnly affirm that conditions among the Indians to-day from Oklahoma to the State of Washington and from Minnesota to Arizona, New Mexico and California are more deplorable than they have been at any time since the United States became guardian over the Indians.

We make the following charges, and we would add to the list, but we want to keep this statement as brief as we can.

#### THE PROMISES THEY ARE BREAKING

1. Promises were made to reorganize the Indian Bureau; officials publicly acknowledged, in 1929, that important reform legislation was needed; they pledged themselves to Congress in five long communications dated December 11 and December 17, 1929. They have abandoned the pledges contained in these December 11 and December 17, 1929, communications. They have not supported the legislation which was promptly introduced to make effective their own undertakings. On the contrary, they have fought against that legislation, in some cases openly and in other cases by procrastination and obstruction. Their action is continuing and is growing more wholesale and more intense.

The specific pledges which they have broken, which we here refer to, were as follows:

(a) To work for legislation giving to Indian tribes the largest possible voice, under new statutes, in the management of their tribal business.

(b) To work for legislation permitting the incorporation of Indian tribes.

May I say that earlier in the day I invited attention to the policy pursued in Canada by the Dominion Government in

dealing with the Indians of Canada? Their tribal relations were recognized. Each tribe constituted a sort of corporate entity to manage its own affairs and had a democratic form of government or administration that was conducive to initiative and individual development, and to the progress, civilization, and moral development of the Indians. We could well emulate the example of the Dominion Government in its Indian policy.

(c) To work for legislation bringing to an end the disinheritation of Indians through the sale of their heirship lands by the Government when the allotted Indian dies.

(d) To work for legislation doing justice to the Indian tribes in their claims against the Government and promptly settling these claims.

(e) To work for comprehensive amendments of the allotment law, which law they then acknowledged to be one of the chief means of destroying Indian life.

(f) To radically reorganize the Indian irrigation and reclamation service; specifically, according to Secretary Wilbur's undertaking, to transfer most of the Indian reclamation work to the general Reclamation Service under Dr. Elwood Mead.

May I say, Mr. President, that a number of years ago Doctor Work, when Secretary of the Interior, appointed a committee to make an intensive study of the irrigation projects which had been inaugurated upon the reservations? The report of this committee was suppressed or rather was not published by the Indian Bureau after it was made. It seems to have been put into the musty archives of the Indian Bureau and was only dragged to light by the efficient and able committee of which the Senator from North Dakota [Mr. FRAZIER] is chairman.

That report, known as the Preston-Engle report, condemned much of the irrigation work and many of the reclamation projects of the Bureau of Indian Affairs, and recommended that a number of them be transferred to the Reclamation Service. Senators are familiar with the fact that the Reclamation Service has charge of a large number of governmental projects in the public land States. It is absurd to have two Federal organizations dealing with reclamation projects. There is duplication which should be avoided. The reclamation projects under the control of the Reclamation Service are in the same States as a rule where are found these so-called reclamation projects under the control of the Indian Bureau.

#### RECLAMATION UNDERTAKING ABANDONED

The Preston-Engle report condemned the waste, incompetency, and inexcusable negligence of the Bureau of Indian Affairs in the handling of some of its reclamation projects and, as I have said, recommended that a number of them be transferred to the Reclamation Service. Secretary Wilbur, as I recall, in one of his statements soon after his appointment, indicated that that policy would be pursued, but it has been abandoned or forgotten. That is one of the complaints found in the address, from which I continue to read:

The record of the abandonment of these undertakings by Secretary Wilbur and Commissioners Rhoads and Scattergood is complete and is known to each of the Indian committees of Congress and to the Senate Indian investigation committee, as well as to all tribal delegations in Washington.

The address continues by stating that in abandoning their legislative undertakings and contending against efforts at legislative reform, Secretary Wilbur and Commissioners Rhoads and Scattergood have ignored some of the most important features of existing law designed by Congress to safeguard the Indians against wrongful exploitation, and proceeds:

#### OUR TRIBAL LANDS SEIZED AND ALLOTMENT RIGHTS VIOLATED

2. Through regulations of June 4, 1931, the officials practically have seized Indian tribal lands totaling thousands of square miles. These lands, under the new regulations, are to be leased to whites, principally to white sheep owners, in open violation of the laws of Congress requiring tribal consent for the leasing of tribal lands. The officials have stood by this violation of our Indian rights and of the statutes, in the face of detailed exposures and analyses of the facts and the laws before the Senate Indian investigation committee in recent weeks.

3. Through these same regulations of June 4, 1931, the officials are proceeding virtually to coerce the allotted Indians to sign over to the Indian agents powers of attorney, under which powers

of attorney the Indian agents are to proceed to lease these allotted lands to whites. The action evades the laws of Congress and reduces the individual Indians to mere shadows, so far as the leasing of their own lands is concerned.

I might add that considerable testimony appears in the recent hearings conducted by the Committee on Indian Affairs of the Senate, of which the Senator from North Dakota [Mr. FRAZIER] is chairman, in regard to these matters.

#### OUR TRIBAL MONIES DIVERTED TO BUREAU SALARIES

These officials are continuing the use of Indian tribal and trust moneys and of tribal income for the payment of salaries to Indian Bureau employees, including a great many useless employees. In a large number of cases their action diverts all or substantially all our Indian money to Indian Bureau support. Through the years these officials have refused to change their course in spite of the announcement repeatedly made by the Senate Indian investigation committee that their action is bringing about the rapid exhaustion of our tribal resources.

The Senate committee's most recent protest and report about the misuse of our tribal funds exhibited a deplorable condition on the Mescalero Apache Reservation, and was dated December 21, 1931. One of its earlier reports, dated January 6, 1930, described a bad state of affairs at the Klamath Reservation in Oregon, and obtained no result except that Commissioner Rhoads promoted the discredited Klamath Superintendent to be assistant chief forester, at Washington, with increased power over the Klamath Tribe; and thereafter, under pressure of its forestry division, the department adopted the law-breaking regulations about the leasing of Indian lands which we have specified above.

#### CONGRESS IS BAFFLED, AND WE ARE HELPLESS ABOUT OUR MONIES

5. The attempt to secure legislation bringing the financial operations of the Indian Bureau into the light of day has been opposed and blocked by Secretary Wilbur and Commissioners Rhoads and Scattergood. Specifically, the Frazier bill (S. 3417), directing the Comptroller General to devise and enforce a businesslike system of accounting for Indian Bureau moneys, was blocked. . . . on May 2, 1930, the facts being of record in the Senate. The Secretary and his commissioners have perpetuated that system of Indian Bureau budgeting which conceals the uses made of Indian tribal funds and practically defeats the effort of Congress to protect our Indian-owned moneys, while leaving the Indians themselves helpless and in the dark.

#### THE UNLAWFUL DEBTS WHICH ARE CRUSHING US ARE BEING INCREASED

6. Though admitting on December 11, 1929, that we Indians were being crushed under a debt of more than \$25,000,000, and though admitting that a large part of this debt is probably unconstitutional and has been, in any event, imposed in violation of the guarantees of the allotment law and of our trust patents, the officials referred to have taken practically no steps to cancel the wrongful debt or to stop the continued increase of the debt through grants which they have continued to obtain from Congress for unjustifiable expenditures by that Indian Irrigation Service which they have refused to reorganize. They have given out propaganda concerning one solitary action which they did take, remitting approximately one twenty-fifth of the wrongful debt.

The preceding administration had been justly criticized in the matter of our reimbursable debt, yet it remitted two and one-half times as much as the present administration has remitted. Meantime, their propaganda is silent about their actions in increasing the wrongful debt in many times the small sums which they have remitted while continuing to do practically nothing, either through the courts or through an appeal to Congress, to secure cancellation of the illegal millions of debt which are crushing us down.

#### THE BOARDING SCHOOL SYSTEM STRENGTHENED AND CONTINUED

7. The bureau has given nation-wide advertising to alleged program of cutting down boarding schools and substituting modern day school opportunities for our children. But the actual facts are these: That in three years they have closed three boarding schools with a capacity of just 2.2 per cent of the total boarding-school capacity. When they have closed two additional schools whose closing has been forecast (Hoopa and Lac du Flambeau) they will have closed 3.23 per cent of the total boarding-school capacity. The boarding schools in 1932 are receiving a more overwhelming proportion of the money spent on Indian education than they received in 1929. In 1932 the boarding schools are more crowded, beyond their stated physical capacity, than they were in 1929. And the officials have made requests for appropriations for the year 1933 which insure that the hurtful dominance of the boarding school will be maintained to the end of the present administration. Our children continue to be denied the kind of schooling which is both modern and American, and continue to be made victims, physically and morally, of the discredited boarding-school system.

We think that Dr. J. Carson Ryan, director of Indian education, is doing the best he can, but we state the facts which show that his hands have been tied in the most important part of his task.

I may say that the report refers to the leasing of a power site on the Flathead Reservation in Montana and expresses opposition to the course pursued, and also refers to the employment of Mr. Cramton who, it is alleged, has been brought into the Interior Department and has had much to do with the Indian Bureau. The petition proceeds:

#### HAGERMAN

10. Secretary Wilbur and Commissioners Rhoads and Scattergood have restored to high office . . . H. J. Hagerman, and are supporting him without limit in the face of the demand by the Senate Indian investigation committee that he be removed from the Government pay roll. They have placed him in charge of the fate of the Indians in four States—Arizona, New Mexico, Colorado, and Utah. They have left him in charge of Navajo oil leasing and land matters, in the face of the public record, now completed, that he, holding the power of attorney of that tribe, was chiefly instrumental in selling the Rattlesnake structure to men who are his personal friends for a \$1,000 bonus paid to the tribe; and in less than one year a half interest in one-twentieth of said Rattlesnake structure was sold for \$300,000, and in less than three years a half interest in the total structure was resold for \$3,600,000. The forcing of H. J. Hagerman upon the Indians as their representative holding their power of attorney, in the face of the record now made, is not only a material injury, it is an insult flaunted in the face of all Indians.

#### THE PUEBLOS BEING RUINOUSLY WRONGED

11. The officials referred to are to-day using their full power to defeat the efforts of Congress to meet its legal and moral obligation to the long-suffering Pueblo Indian Tribes by granting long-deferred compensation for lands and waters lost through derelictions of the Government. Their action appears as a sacrifice of Indian welfare and of public obligation to their determination to "save the face" of . . . Hagerman . . . As a final blow in this matter, Commissioner Rhoads on February 19 proposed to the House Committee on Indian Affairs that Congress should immediately make payments to the whites for damages due from the Government, while referring back to the . . . Hagerman Pueblo Lands Board the subject of payment to the Indians, this proposal being plainly designed to drive a wedge between the Indians and the whites and to deprive the Indians of the support of the New Mexico delegation. We believe and are assured that the . . . course proposed by the commissioner will not be accepted by the New Mexico delegation or by the white citizens of New Mexico.

#### THE NAVAJOS' BITTER NEED IS BEING EVADED

12. These officials have refused, or fatally postponed, in the face of a petition (February 10) from the four Senators from Arizona and New Mexico, to submit to Congress a program for saving the Navajo livestock or, as an alternative, to enlist the help of the American Red Cross. Through inaction or willful procrastination, they are letting the sheep asset of the Navajo Indian Tribe perish, with the result, known to all, that large purchases of badly adapted sheep must hereafter be made from white sheepmen, while in the meantime the pauperized Navajos will stand in a bread line or "howl," to again quote Secretary Wilbur's words, while they try to live on some "pickle" to be handed them by the Indian Office. We are hoping the Department of Agriculture may come to the Navajos' rescue.

#### STARVATION IN MANY OF OUR TRIBES

13. Finally, we urge and plead that Congress and the general public shall know of the terrible physical distress among Indians in practically every part of the country. Secretary Wilbur and Commissioners Rhoads and Scattergood know the facts. . . . We are reliably informed that their own files, if Congress would subpoena them, would reveal an appalling condition of Indian distress and starvation, made known to these officials by their own superintendents and largely ignored by them.

But we do not want to place exclusive stress on the fact that 100,000 or more of our people are being damaged through starvation. We know that millions of people in the United States are now suffering hunger. . . . But our main plea is that the destruction of our citizenship rights and the destruction of such legal protections as exist for our property, be not permitted to continue, and that Congress shall energetically take hold of Indian affairs . . . and proceed to correct it through legislation enacted at the present session.

#### OUR STATEMENTS ARE ALL OF PROVED RECORD

We have not stated one fact that is not of proved record. There are responsible Members of Congress familiar with every fact we have stated. Congress does have the power to help us.

We believe that if there existed in Canada or in Mexico a state of affairs, in the Indian service of those countries, remotely approaching the shame and hurt which is now going on under Secretary Wilbur and Commissioners Rhoads and Scattergood, the

parliaments of those countries would be in a state of uproar. We hope that some attention can now be given to our plight by Congress and by the people of the United States.

Respectfully, in the name of all Indians.

Meade Steele, delegate, Fort Peck Indians, Montana; John M. Green, delegate, Santee Sioux Indians, Nebraska; Henry A. Johnson, councilman, Pima Tribe, Arizona; Memcio Montoya, governor pueblo of San Juan, N. Mex.; Otto Lomavtiu, president Hopi Council of Oraibi, Arizona; Robert J. Hamilton, delegate, Blackfeet Tribe, Montana; Alvino Lujan, governor pueblo of Taos, N. Mex. (and the Pueblo Council); José Padilla, governor, Diego Abalta, secretary pueblo of Isleta, N. Mex.; Sotero Ortiz, chairman Council of All the New Mexico Pueblos (signature is personal until the Council of All the New Mexico Pueblos meets); Adam Castillo, president Mission Indian Federation of California ("have visited reservations of southern California and send unanimous indorsement of the Mission Indian Federation to the petition"); Ralph White and William Guyton, Standing Rock Reservation, N. Dak.; Caville Dupuis, chairman Tribal Council of the Flathead Tribe, Montana; Charles Kie, Laguna Indians at Gallup, N. Mex.

To the petition is appended the following statement:

The undersigned white friends of the Indians have carefully read the petition of the Indian tribes dated February 26, 1932. We are familiar with the situation through the report of the Institute for Government Research, the many volumes of printed testimony and the reports of the Senate Indian investigation committee, and through other literature available to any citizen. We believe that the statements in the Indians' petition are accurate as fact and just and moderate as opinion. We desire to add our plea to the plea of the Indians, that Congress and the entire public shall come to the Indians' rescue at this time.

Lieut. Col. GEORGE P. AHERN,  
United States Army, Washington, D. C.  
Mrs. H. A. ATWOOD,  
Riverside, Calif.  
MARGARET BROWN, New York City.  
JOHN COLLIER, Washington, D. C.  
HAVEN EMERSON, M. D.,  
New York City.

Doctor Emerson is a member of the Indian Defense Association, and, as I understand, is a friend of Secretary Wilbur.

Frederick W. Hinrichs, jr., Pasadena, Calif.; Henry Webster Gillette, M. D., New York City; Nathan R. Margold, New York City; Ernst Huber, M. D., Baltimore, Md.; Mr. and Mrs. H. R. Prather, La Jolla, Calif.; Harold Von Schmidt, Westport, Conn.; Clifford McCarthy, Santa Fe, N. Mex.; Elizabeth Chute, Minneapolis, Minn.; Robert Gessner, New York; Eda Lou Walton, New York.

My understanding is that those signing the statement are interested in the progress and civilization of the Indians.

#### PROPOSED ANTI-INJUNCTION LEGISLATION

Mr. NORRIS. Mr. President—

Mr. KING. I yield to the Senator from Nebraska.

Mr. NORRIS. I ask unanimous consent that we take up H. R. 5315, now on the Vice President's desk, an act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes, and that it be amended by striking out all after the enacting clause and inserting in lieu thereof the bill passed by the Senate on the same subject, S. 935.

The VICE PRESIDENT. Is there objection?

Mr. SMOOT. If it leads to no discussion, I have no objection. I should not want the bill to displace the appropriation bill.

Mr. NORRIS. I do not think it will lead to any discussion. The course I suggest is so manifestly fair that, so far as I know, no one is objecting.

Mr. BINGHAM. Mr. President, will the Senator explain what would be done by his suggestion?

Mr. NORRIS. Yes; I shall be very glad to do that.

The Senate, as we all know, passed the other day the anti-injunction bill. It went to the House, and was left on the Speaker's table. It is there yet. The House proceeded to consider a House bill on the same subject, which was practically the same bill, and passed with a very few amendments—only one or two of any importance—a bill identical with the Senate bill, ignoring the Senate bill entirely, and has sent the House bill over here.

Of course, everybody acquainted with the fundamental principles of parliamentary law knows that that was not a

right way to legislate. The House ought to have sent back the Senate bill. In a parliamentary sense, the Senate is in exactly the same position that it would be in if we had done nothing; but it is universally conceded that we do not want to go all over that ground again, as we would have to do if this bill went to a committee and were reported again.

My proposal is, by unanimous consent, to take up the House bill, to strike out all of the text—and that is included in my unanimous-consent request—except the title and the number, so that it will still be a House bill, and to insert in lieu of the House bill the Senate bill that we passed.

Mr. SMOOT. Then it will go to conference.

Mr. NORRIS. Then, if that is agreed to, I am going to move that the Senate insist on its amendment and ask for a conference with the House, and that the Chair appoint the conferees on the part of the Senate.

Mr. HEBERT. Mr. President, will the Senator yield?

Mr. NORRIS. Yes; I yield to the Senator from Rhode Island.

Mr. HEBERT. If that procedure is to be followed, as I understand, the amendments to the House bill, which in its original state was not unlike the bill as it came to the Senate, would not be considered by the Senate under any circumstances. In other words, we would not have before us in the Senate the amendments to the bill adopted by the House.

Mr. NORRIS. No; the entire matter would then go to conference. It would be just the same.

Suppose the House had proceeded as it ought to have proceeded and had taken up the Senate bill, struck out all after the enacting clause, and inserted a new bill, the same one that is here now, except that it would be under a Senate title instead of a House title, then it would have been in order for me to move, and I would have moved, that the Senate disagree to the House amendments and ask for a conference with the House; so that the same parliamentary situation would have arisen then that will arise if this request is agreed to.

Mr. HEBERT. But let me say to the Senator that in the contingency to which he refers the Senate would have before it the amendments that have been adopted by the House.

Mr. NORRIS. Yes.

Mr. HEBERT. In the proposal now made by the Senator the Senate will not have before it the amendments that were adopted by the House.

Mr. NORRIS. It has the House bill before it now.

Mr. HEBERT. Yes; but the proposal of the Senator is to disregard the House bill and substitute the Senate bill for it.

Mr. NORRIS. Yes, sir.

Mr. HEBERT. So that the amendments adopted by the House will not be before the Senate for consideration at any time. Is that true?

Mr. NORRIS. Yes; I think that is true, but in a technical sense that would have been true if the regular course had been followed.

Mr. HEBERT. But if the House had followed the regular course the Senate would have had before it the amendments adopted by the House to the Senate bill.

Mr. NORRIS. Yes.

Mr. HEBERT. In following the course now suggested by the Senator we shall not have before us the amendments adopted by the House to the House bill.

Mr. NORRIS. In a technical sense we do have. If the House had passed our bill and amended it, when I made the motion to disagree to the House amendments it would have been in order to debate everything there was in the bill; and in a technical sense, a parliamentary sense, it is in order now, if this matter is taken up, to debate the entire House bill. The debate would be unlimited in either case.

Mr. SMITH. Mr. President, may I call the Senator's attention to the fact that almost identically this thing occurred in reference to the Reconstruction Finance Corporation bill. The House passed a bill and sent it over here after we had

passed our bill; and we struck out all after the enacting clause and inserted the Senate bill, so that the two would then be in conference.

Mr. NORRIS. Yes.

Mr. SMOOT. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Utah?

Mr. NORRIS. Yes.

Mr. SMOOT. Every provision in the House bill will be in conference if we strike out all after the enacting clause and insert the Senate bill. In other words, the conferees then will have before them both the Senate bill and the House bill; and under the rules governing conferences they can adopt a part of a provision in the House bill and a part of a provision in the Senate bill, if that is the final agreement of the conferees.

Mr. NORRIS. Yes.

Mr. SMOOT. So that the whole matter will be in conference.

Mr. HEBERT. There is this about it, if I may interrupt the Senator—

Mr. NORRIS. Yes; I yield to the Senator.

Mr. HEBERT. I am not informed as to the exact effect of the House amendments. I do not know what they are. Would the Senator be willing to let this matter go over until to-morrow in order to give me an opportunity to study the House amendments?

Mr. NORRIS. I have no objection to that, excepting that the Senator will be in the same position to-morrow that he is in to-day.

Let me call the Senator's attention to what will happen, as I understand the rules of the Senate, in case objection is made to this request. Let me preface that by saying that I do not suppose there is a Member of the Senate who desires to take up the anti-injunction bill again and go through with it as we did before. I do not believe anybody wants to do that. We have had a fair test on it, we have debated everything, and we have reached a conclusion.

If this request is objected to, my understanding of the rules is that the House bill will go to the calendar, and it will be on the calendar like any other bill, and of course I will make a motion to take it up, and it may be debated and discussed just the same as we debated and discussed the Senate bill. Another week will be devoted to that debate, all of which it seems to me all of the Senators want to avoid. Unless we do something of this kind, however, we can not avoid it.

I am just as sorry as anyone can be that the bill is in this parliamentary situation; but, of course, the Senator realizes that I am entirely helpless, as the Senate is, and in no way responsible for the way the House has treated the Senate in taking up this bill and passing a new bill.

Mr. HEBERT. Mr. President, I desire to say to the Senator that I have no disposition to have the bill brought before the Senate for discussion again, but having taken some part in the debate and having given some consideration to the measure, I should like very much to acquaint myself with the changes that have been made in the House bill before agreeing to the request to substitute the Senate bill for the House measure. If the Senator will let his motion go over until to-morrow—

Mr. NORRIS. Would not the Senator be willing to let me state—I think I have the matter correctly—what I believe to be the only two differences of any importance whatever between the two Houses?

Mr. HEBERT. Certainly.

Mr. NORRIS. Sections 11 and 12, as we had them here, together provided for a jury trial in all cases of contempt, regardless of the kind of a case in which the contempt arose. Section 12 applied particularly to persons making a charge against the judge, making it outside the court. We referred to it usually as the newspaper part of the bill. Although it applied to everybody, yet as a matter of practice it probably never would occur—so far as I know, it never has occurred so far—in any case except that of a newspaper that made a comment upon the trial, upon the character

or the methods of the judge in conducting the trial. In that case, under the Senate bill, the editor or the person making this charge who was arrested for contempt would be entitled to two things: He could have a jury trial on the contempt, and if he made the right kind of an affidavit the judge could not proceed any further, but another judge would have to be called in to try the contempt proceeding. Under the House provision he would not be entitled to a jury trial, as I understand the House amendment. He could still secure the change in judges that is provided, however.

In section 11 the Senate bill provided that anyone charged with a contempt would be entitled to a jury trial, regardless of the kind of a case in which it arose, whether it was a labor case or any other kind of a case. Under the House amendment he would not be entitled to a jury trial in anything except cases arising under this bill.

I think I have correctly stated those amendments, and they are, as far as I know, the only material amendments in the bill. I believe there is one other material matter. We put in an amendment offered by the Senator from Georgia [Mr. GEORGE] which had relation to mandatory injunctions. The House has nothing on that subject in its bill.

The House started with the same bill that we did. The Member of the House who introduced the bill there got his copy from me and introduced it in the House. The only thing that brought about this difficulty is that the House has ignored the Senate bill and passed a House bill; and, of course, unless somebody gives up and surrenders and submits to the humiliation involved, if there be humiliation involved in it, neither the House nor the Senate will get any legislation.

If my request for unanimous consent is not agreed to, this bill will go to the calendar. Just as soon as under the rules that can be done—the bill would have to be there one day before it would be subject to that motion—I am going to move to take it up, of course; and I shall expect then, if the Senate votes in favor of taking up the bill, to take it up in the same way that we originally took up the other bill and go through with it and eventually dispose of it.

Mr. FESS. Mr. President, will the Senator yield?

Mr. NORRIS. I yield to the Senator from Ohio.

Mr. FESS. If the Senator's request is denied, the Senate will be left to take up the House bill and either adopt its provisions or amend it and send it back?

Mr. NORRIS. Yes, sir.

Mr. FESS. If the Senator's request is granted, he will move to strike out of the House bill all after the enacting clause and insert the Senate bill, and it will immediately go to conference?

Mr. NORRIS. Yes; that is the whole thing.

Mr. FESS. That would seem to me to be the logical course.

Mr. NORRIS. In other words, I am asking the Senate in this case to do nothing except what it has already done, as a matter of fact. It does not occur often that this kind of a parliamentary predicament arises, but it always does occur where one House disregards the action of the other House. Something of this kind must be done or we never will get legislation, as every parliamentarian knows.

Mr. HEBERT. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Rhode Island?

Mr. NORRIS. I yield.

Mr. HEBERT. The Senator has explained the amendment proposed by the House to the provision for a jury trial. Would it be fair to ask the Senator if he would favor such an amendment if that bill were before the Senate?

Mr. NORRIS. If I am a member of the conference committee, I will, of course, stand by the Senate bill; but I will say frankly that I would not consider it my duty, unless some definite instruction to that effect were given me by the Senate, to stand by that and prevent legislation if I could not have my way. I realize, as the Senator does, that in order to accomplish anything in a conference both sides must be willing to surrender some of the things they want; and, whether I wanted it or not, if I were a Senate conferee, I should try to secure in the conference report provisions that would conform to the action of the Senate.

I do not think it probable, I will say to the Senator, if this goes to conference, that I will be able to bring back the bill which passed the Senate, because I am going into the conference, if I go at all, with an open mind, and with the understanding that, in order to get any legislation, everybody must be willing to compromise; and I apply that to myself.

Mr. HEBERT. Mr. President, I take it, then, the Senator concedes that if a jury trial in contempt cases is to be afforded to those engaged in labor disputes, it should be afforded to every other citizen?

Mr. NORRIS. That is my belief; yes.

Mr. HEBERT. With that understanding, I do not object.

Mr. BINGHAM. Mr. President—

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Connecticut?

Mr. NORRIS. I yield.

Mr. BINGHAM. The Senator will remember that the senior Senator from Pennsylvania [Mr. REED] took a leading part in the discussion of the bill, as being one who was more familiar with it than most of us. Would the Senator from Nebraska yield to me to suggest the absence of a quorum, in order that the Senator from Pennsylvania might be present?

Mr. NORRIS. I yield for that purpose.

Mr. BINGHAM. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Jones	Robinson, Ind.
Austin	Cutting	Kean	Schall
Bailey	Dale	Kendrick	Sheppard
Bankhead	Davis	Keyes	Shipstead
Barbour	Dickinson	King	Shortridge
Barkley	Dill	La Follette	Smith
Bingham	Fess	Lewis	Smoot
Black	Fletcher	Logan	Stelwer
Blaine	Frazier	McGill	Thomas, Idaho
Borah	George	McKellar	Thomas, Okla.
Bratton	Glass	McNary	Townsend
Brookhart	Glenn	Metcalf	Trammell
Broussard	Goldsborough	Moses	Tydings
Bulkeley	Gore	Neely	Vandenberg
Bulow	Hale	Norbeck	Wagner
Byrnes	Harrison	Norris	Walcott
Capper	Hastings	Nye	Walsh, Mont.
Carey	Hawes	Oddie	Watson
Connally	Hayden	Patterson	White
Coolidge	Hebert	Pittman	
Copeland	Howell	Reed	
Costigan	Johnson	Robinson, Ark.	

The VICE PRESIDENT. Eighty-five Senators having answered to their names, a quorum is present.

Is there objection to the unanimous-consent request of the Senator from Nebraska?

Mr. BINGHAM. Mr. President, I wish the Senator from Nebraska would explain his request again. A good many Senators have come in since he preferred it previously.

Mr. NORRIS. Mr. President, at the request of the Senator from Connecticut, and perhaps to the annoyance of Senators who were present before, I will go over the matter again.

The Senate the other day passed Senate bill 935, the so-called anti-injunction bill; it went to the House and is on the Speaker's desk in the House at this moment. The House has never taken the Senate bill up and has never considered it. The House of Representatives, however, passed a House bill on the same subject. With a few exceptions, it is word for word the same as the Senate bill. They sent the House bill to the Senate as it was passed in the House.

I have asked unanimous consent that the Senate proceed to the consideration of the House bill; and if that is agreed to, I will move that everything after the enacting clause be stricken out and that the bill which passed the Senate be inserted in lieu of the part stricken out. If the bill is passed in that form, I will move that the Senate insist upon its amendment to the House bill, ask for a conference, and that the Chair appoint the conferees on the part of the Senate.

The bill as it passed the Senate is now dead, and my request is that we proceed to the consideration of the House bill. The Senate bill is on the Speaker's desk and will probably stay there. The House bill on the same subject, with

a few exceptions, is word for word the same as the bill which passed the Senate, and it is the bill which passed the House that I have asked we now consider.

Mr. REED. Mr. President, will the Senator permit a question?

Mr. NORRIS. Certainly.

Mr. REED. I notice that the bill which passed the House contains provisions which, when we were considering the Senate bill, everyone agreed should be amended; for example, the provision in section 7 requiring that all public officers whose duty it is to protect property be notified. Of course, as we made plain when the matter was discussed during the consideration of the Senate bill, that meant that if, for instance, the Industrial Workers of the World were fomenting an attack upon the property of the Western Union Telegraph Co., every constable, every duty sheriff, and every policeman in the United States would have to be notified before the Western Union Telegraph Co. could enjoin the head of the Industrial Workers of the World.

I trust that when the Senator moves that we insist upon the Senate amendment, he means that very literally.

Mr. NORRIS. Before the Senator came into the Chamber, prior to the roll call, I was asked a question, not about that particular amendment, but about others. The Senator from Pennsylvania has been on conference committees himself and knows how legislation is brought about, and he realizes that it would not be proper for me to say now that I would never agree to a conference report unless this or that were agreed to.

Mr. REED. Of course.

Mr. NORRIS. I have said that if I am a member of the conference committee, I will do the best I can to bring back the bill which passed the Senate; but, at the same time, I realize that in order to get an agreement I will have to be just as reasonable as I expect others to be; and will very likely have to recede on this thing or that thing.

Mr. REED. That is the situation.

Mr. NORRIS. I should think there would be no trouble about the amendment to which the Senator refers. I had not mentioned it before, but I am glad the Senator called attention to it. I have regarded it as a fact that the Senate provision is far superior to the House provision in that particular respect.

Mr. REED. Of course, what the Senator said about the attitude of the conferees toward the coming conference is absolutely correct. The Senator can not promise that he will never yield in conference; if so, there would be no use of having a conference. But that same obligation does not extend to those of us who are not on the conference committee, and for what it is worth I shall have to say that unless these matters are corrected in the House text by the conferees I shall feel it my duty to fight the conference report just as long and as hard as is within me the power to do.

Mr. NORRIS. I am glad to have the Senator make his statement thus publicly, because we will be able to show from the Record just what the Senator said when we get into conference.

The VICE PRESIDENT. The Senator from Nebraska proposes a unanimous-consent request, which will be read for the information of the Senate.

The Chief Clerk read as follows:

That the bill (H. R. 5315) to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes, be regarded as having been read twice; that all after the enacting clause be stricken out and the engrossed text of Senate bill 935, to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes, be inserted in lieu thereof; that the amendment be engrossed, and the bill as amended read the third time, and passed.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. NORRIS. I move that the Senate insist upon its amendment, ask for a conference with the House, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to, and the Vice President appointed the Senator from Nebraska [Mr. NORRIS], the Sena-

tor from Wisconsin [Mr. BLAINE], and the Senator from Montana [Mr. WALSH] conferees on the part of the Senate.

#### INTERIOR DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 8397) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1933, and for other purposes.

The VICE PRESIDENT. The clerk will state the pending committee amendment.

The CHIEF CLERK. On page 20, line 12, the committee proposes to strike out "\$382,000" and insert "\$407,000," so as to read:

For the purpose of developing agriculture and stock raising among the Indians, including necessary personnel, traveling and other expenses, and purchase of supplies and equipment, \$407,000, of which not to exceed \$15,000 may be used to conduct agricultural experiments and demonstrations on Indian school or agency farms and to maintain a supply of suitable plants or seed for issue to Indians.

Mr. FRAZIER. Mr. President, the pending amendment is on page 20, line 12, where the committee proposes to increase the appropriation \$25,000 for the purpose of employing some so-called expert agriculturists in the Indian Service. The advisability of such an appropriation and the appointment of men of that kind depend largely upon circumstances and upon the kind of men that will be appointed. There have been some of these agriculturists appointed who have made some very good reports, while there have been some other reports that were not favorable at all. The Indians have protested against the appointment of some of the men and against the attitude they have taken.

In view of the present depressed situation and the lack of money for various branches of the Indian Service, especially where they have had such hard times during the present winter, it seems to me the additional money might a great deal better be spent for additional livestock for the Indians where they have lost so heavily as the Navajos and some other tribes have during the present winter, and for food and care for Indians who are practically on a starvation diet at the present time. Therefore I hope the amendment will not be agreed to.

Mr. KING. Mr. President, I was about to observe in behalf of the junior Senator from Montana [Mr. WHEELER], who, perhaps, aside from the chairman of the Committee on Indian Affairs [Mr. FRAZIER], the Senator from Oklahoma [Mr. THOMAS], and one or two others who live in the States where there are many Indians, knows as much as or more about Indian affairs than most of us, that he was compelled to leave the Chamber and to leave the city for a few days. He is opposed to this increase; and I was authorized to state in his behalf that he hopes it will not be made.

Speaking for myself, I concur in the view just expressed by the chairman of the Committee on Indian Affairs [Mr. FRAZIER]. It will be observed that only \$15,000 of the appropriation is to be used for conducting agricultural experiments and demonstrations on Indian lands. If the bill is examined from beginning to end, it will be found that there are very large appropriations carried in other provisions of the bill for agricultural work and for experiments and for farm activities. This is merely a pretext under sort of a glittering title to get more money for the bureau. I hope the amendment will be rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee. [Putting the question.] The yeas seem to have it.

Mr. SMOOT. Let us have the yeas and nays.

Mr. KING. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Austin	Blaine	Carey	Dale
Bailey	Brookhart	Connally	Davis
Bankhead	Broussard	Coolidge	Dickinson
Barbour	Bulow	Copeland	Dill
Bingham	Byrnes	Costigan	Fess
Black	Capper	Couzens	Fletcher

Frazier	Jones	Norbeck	Thomas, Idaho
George	Kean	Norris	Thomas, Okla.
Glass	Kendrick	Nye	Townsend
Glenn	Keyes	Oddie	Trammell
Goldsbrough	King	Pittman	Vandenberg
Gore	La Follette	Reed	Wagner
Hale	Lewis	Robinson, Ind.	Walcott
Harrison	Logan	Schall	Walsh, Mont.
Hastings	McGill	Sheppard	Watson
Hayden	McKellar	Shipstead	White
Hebert	McNary	Smith	
Howell	Metcalf	Smoot	
Johnson	Moses	Steiwer	

Mr. McKELLAR. I wish to announce that the Senator from West Virginia [Mr. NEELY] is necessarily detained from the Senate on official business.

The VICE PRESIDENT. Seventy-three Senators have answered to their names. A quorum is present. The Senator from Utah has demanded the yeas and nays. Is the demand seconded?

The yeas and nays were ordered.

Mr. SMOOT. Mr. President, the pending amendment which is about to be voted on is to be found on page 20 of the bill and is for the purpose of increasing the development of agriculture and stock raising among the Indians. It proposes to increase the item from \$382,000 to \$407,000. This has been the policy since the first appropriation of \$25,000 was made. Since that time there has been \$25,000 appropriated in excess of the previous amount for the purpose I have already named. If reports are true, there is no money spent to better advantage than that provided for in this particular item. I was not aware there was any objection to it at all.

Mr. KING. Oh, yes, indeed.

Mr. McKELLAR. Mr. President, can the Senator refer me to the Senate hearings where this particular item was discussed?

Mr. SMOOT. The Senator will find it on page 83 of the committee hearings. Here is what the department said about the proposed increase:

Five years ago we obtained an initial appropriation of \$25,000 for the purpose of obtaining agricultural employees of the extension type to do work on Indian reservations. Successive increases of \$25,000 have been granted, and we have proceeded on the assumption that these increases would be requested each successive year until such time as we have an agricultural extension agent on each Indian reservation where conditions warrant such employment or in the case of two or more small reservations, one agent for the combined work. Large expenditures are being made in carrying forward the educational and health programs among the Indians, but the program for development of the Indian in the home has not until the last two or three years received any special attention. We are frequently called upon to provide subsistence supplies for able-bodied Indians who have allotments of land but make no effort to produce even subsistence crops therefrom. Until such time as we educate the Indians to utilize their allotments for the purpose of raising subsistence in quantities sufficient to supply the needs of their families, the charge against the Federal Treasury for aid to Indians is going to be heavy. The reduction in this item postpones the placing of extension agents on other reservations where they are sorely needed at this time and likewise delays the time when Indians of these reservations will begin to utilize their own lands to better advantage. We urgently recommend that this \$25,000 be restored.

Mr. NORBECK. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from South Dakota?

Mr. SMOOT. I yield.

Mr. NORBECK. I am glad that the Bureau of Indian Affairs have taken a different view of what they call "Indian education." We all remember the time when it was the general opinion that if an Indian could be taught geometry and Latin grammar he was equipped as well as white men and therefore ought to get along all right. We are now beginning to recognize the fact that he has got to start just as the white man started; he has got to find a way to earn his living. We have taken his living away from him, and we have sent him out on the land and said, "You have got to cultivate it like the white man." He does not know how. The purpose of this item is to help him get started to earn a living, to educate him in the work of providing his own food, and to relieve the Government from this burden. It is probably the most important item in the whole bill. That is my view of it.

Mr. McKELLAR. Mr. President, I find on page 83 of the hearings there appears to be the only reason given for this additional appropriation. I quote from the testimony of Mr. Dodd:

AGRICULTURE AND STOCK-RAISING DEVELOPMENT

Mr. DODD. The next item is on page 20.

That has to do with the development of agriculture and stock raising among the Indians.

From this appropriation we pay our farmers and stockmen and agriculture extension agents.

We ask for an increase of \$25,000 in this appropriation to provide for the salaries and expenses of six additional agricultural extension agents for Indian reservations.

This appropriation was initiated about five years ago, when we had an appropriation of \$25,000 for the employment of the first six of these extension people. Successive increases of \$25,000 have been granted each year to extend this activity. We have reports from the supervisor of extension, Mr. Cooley, indicating that where these employees are stationed there has been a tremendous increase in the interest of Indians in utilizing their own lands. We are simply asking that this \$25,000 allowed by the Budget be restored, because until such time as we get some of the Indians who have lands interested in raising gardens which will provide them with subsistence for themselves the Government is going to be called upon to appropriate money to provide subsistence and supplies for them.

It is hoped that this will be allowed.

Senator THOMAS. On that point, Mr. Dodd, does this bill carry any item for relief of needy, hungry, naked Indians?

Mr. DODD. It carries \$175,000 in the general-support appropriation.

Senator THOMAS. Set aside for that particular use?

Mr. DODD. Set aside for that particular use.

Senator THOMAS. There is carried an item in this bill for \$160,000?

Mr. DODD. \$175,000 is carried in this bill, Senator. Congress has already passed the deficiency bill, carrying \$275,000 for emergency relief of Indians, and we have under consideration at this time an additional estimate of a minimum of \$255,000 more which is required.

Senator THOMAS. You are giving that similar item consideration?

Mr. DODD. Yes, sir.

Senator SMOOT. That is about \$555,000?

Mr. DODD. Yes, sir.

Senator McKELLAR. How much was the entire item; \$275,000?

Mr. DODD. \$255,000 is our present estimate on the additional amount required for the remainder of this year.

I now turn to page 152 of the hearings for the purpose of showing the attitude of this particular official in reference to the Indians. He was asking for a fund for the Klamath Reservation when I interrupted him. I quote as follows:

Senator McKELLAR. Where are we going to get all of this money?

I asked that question this morning. I will ask Senators to listen to his reply to the question:

Where are we going to get all of this money?

Here is what this man said:

Mr. DODD. This money does not come from the Treasury, Senator; it is a part of the fund derived from their timber sales.

Senator McKELLAR. Of course; it comes out of the Treasury itself.

Mr. DODD. This comes from funds of the tribe; this is not a Treasury item.

Mr. President, I just want to say that I have not any confidence in any official of the Indian Bureau who talks that way about where these funds come from. Of course, he was right about it. The funds do come from the Indians themselves; they come from the income of the Indians derived from the property which they own; but I say that Mr. Dodd and every other Indian Bureau official ought to be more careful about expenditures when they come from funds of the Indians themselves than when they come from the Federal Government. The idea I got from Mr. Dodd as to his attitude while I was questioning him was this: "Oh, Senator, it does not make any difference about this appropriation because the Government does not have really to provide the money; it comes out of the Indian funds; it is their money, and there ought not to be any objection to the item."

So when I find that the Indian Bureau wants an increase, as shown in the item on page 20, for farm-extension agents, I do not think we ought to grant the additional amount.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER (Mr. ROBINSON of Indiana in the chair). Does the Senator from Tennessee yield to the Senator from Utah?

Mr. McKELLAR. I yield.

Mr. SMOOT. The Senator first read from testimony that had reference to the pending item, and then he turned a number of pages and read from testimony that has nothing at all to do with this item.

Mr. McKELLAR. It has this to do with it—

Mr. SMOOT. It has nothing whatever to do with it.

Mr. McKELLAR. Just a moment. It has this to do with it, namely, it shows the attitude of this official; it shows the attitude of the Indian Bureau generally. We found upon examination, as shown by the record on pages 152 and following, a most remarkable situation in regard to the Klamath Indians. We found that some of the employees on that reservation, such as measurers of timber, were receiving salaries of \$2,000 a year and more, the highest official getting as high as \$5,000, all coming out of the Indian funds. Not only that, but we found that the Indian Bureau's agents and employees out there, almost every one of them, had automobiles. Scalpers, clerks, and other white employees on this reservation were not only receiving salaries, but they had automobiles which were bought out of the Indian funds. In addition to that, the upkeep of the automobiles, the gasoline for their operation, the oil for them, came out of the Indian funds. The record further shows that when such employees went from one portion of the reservation to another they got a per diem for food. Yet it seems to be thought that Congress ought not to interfere with such activities, because the funds to provide for them come out of the Indians. I do not think our Government agents have a particle of right to despoil the Indians of what has been given to them, and I am not going to vote for any increase of appropriations to be put in the hands of these agents. I hope the Senate will defeat this amendment.

Mr. SMOOT. Mr. President, I merely want to say that the item now under consideration has not a single solitary thing to do with the Klamath Indians. It does not refer to them in any shape or form. What the Senator has said refers to appropriations made under the provision which has to do with the Klamath Indians, which provision is in another part of the bill entirely.

Mr. NORBECK. And it deals with the management of a forest on the Klamath Reservation, from which there is derived very large revenue. The men who supervise the work have to have automobiles in order properly to perform their duties. It is a profitable undertaking, and not a burden on the Indians. But the Klamath item is, so to speak, a thousand miles removed from the item about which we are now talking.

Mr. SMOOT. Not only that, but I will say to the Senator from Tennessee that the Klamath Indians make a million dollars out of their timber sales in an ordinary year.

Mr. FLETCHER. Mr. President, may I ask the Senator where the money for the appropriation comes from? Does it come out of the Indian funds or out of the Treasury of the United States?

Mr. SMOOT. These particular funds come out of the Treasury. They are appropriated in pursuance of a policy which was started years ago in an effort to educate the Indian so that he might farm his land, in order to enable him to raise food with which to sustain himself and his family. More good has been derived from this appropriation than from almost any other appropriation in the bill. If we are going to educate the Indians along this line, let us do it. Let us teach them how to take care of themselves and not compel the Government to continue doing so longer than is necessary. That is what this appropriation is for. It is designed to carry out what I think is the best policy the Government ever pursued toward the Indian, a policy which is intended to educate them, to show them how they can cultivate their lands and how they may become independent.

The Klamath Indians have the greatest timberlands there are in the United States. The timber cut from those lands

is the best that is cut anywhere in this country. Their lands are timberlands and not agricultural lands. What we are trying to do is to create irrigation systems in sections where irrigation is absolutely necessary; we are trying to teach the Indians how to cultivate their land and to put them in a position where they will at least be partially independent of appropriations from the Treasury of the United States, such as have been necessary in the past.

Mr. FRAZIER. Mr. President, I want to ask the Senator from Utah if these so-called "expert agriculturalists" do not also include in their work supervision of stock raising?

Mr. SMOOT. Wherever there is stock upon the reservation they may do so.

Mr. FRAZIER. I think they do; and on the Klamath Reservation, where there is not so very much agricultural land, there is some stock raising.

Mr. SMOOT. There is very little, not sufficient to enable the Indians to take care of themselves.

Mr. FRAZIER. There is enough so that there was undertaken an irrigation project, which was kept going for years, although it lost money every year.

Mr. SMOOT. The Senator was not in favor of it in the first place.

Mr. FRAZIER. No; I was not in favor of it. Furthermore, they have a good deal of grazing land and considerable numbers of cattle and sheep. At the present time the executive council of the Klamath Indians object—and their position is supported by a petition signed by a large majority of the adult Indians on that reservation—to their grazing lands being leased to white sheepmen and cattlemen, especially to sheepmen. They presented their objection to the committee and to the department. They wanted the sheepmen kept off in order that the grass might come back so that they, themselves, might engage more extensively in the sheep and cattle business.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. FRAZIER. Yes.

Mr. McKELLAR. In reference to the Klamath Indians, I will cite another reason why we should not grant this additional money to the Indian Bureau for the purposes named. I read from the report submitted by the Committee on Indian Affairs, signed by LYNN J. FRAZIER, W. B. Pine, B. K. WHEELER, ROBERT M. LA FOLLETTE, JR., and ELMER THOMAS, dated February 7, 1930, as follows:

From the evidence taken the subcommittee is convinced that there has been a decided lack of cooperation on the part of Superintendent Arnold and Financial Clerk Wheat with the Indians; that these officials have ignored the wishes and regards of the Indians; that they have been extravagant with the money and wasteful of the property intrusted in their supervision; that the great majority of the Klamath Indians have lost all confidence in their officials, thus making it impossible to have anything like a satisfactory situation.

I understood that this man, Superintendent Arnold, has not only been retained in the service, contrary to the recommendation of the Indian Affairs Committee of the Senate, but that he has absolutely been promoted and is one of the managers of the bureau at this time. If such is the case, surely we ought not to pay any attention to the recommendation of bureau officials who take that view about the Indians. We are trustees for the Indians, and we ought to discharge that trust honestly and faithfully and see to it that they are properly taken care of.

Mr. FRAZIER. Mr. President, on practically every Indian reservation in the United States, at least where there is any agricultural land, there are what are termed "farmers—boss farmers." There are several on each of the large reservations. In each district there is one of these so-called farmers. The junior Senator from Montana [Mr. WHEELER] made the statement yesterday that the investigating subcommittee of the Committee on Indian Affairs had not found any instance where these farmers were approved by the Indians, or where they were doing anything for the Indians. I think his statement was a little bit strong. We have found a few such cases.

I remember that a couple of years ago, when a delegation of Indians were down here from the State of South Da-

kota, one question I put to that delegation was whether or not the farmers that they had were of any benefit to the Indians, and whether they were doing anything for them. The sentiment of all those Indians—and they came from the various reservations of South Dakota—was that, generally speaking, these farmers did not do anything to help the Indians; that they merely acted as clerks or subagents; but that there was one exception in South Dakota, and that was a man who was an Indian himself. They said he was a farmer there who had been doing mighty good work; that he called upon the farmers and helped them, and explained to them how they should do certain things—how they should raise gardens, how they should care for livestock, how they should put in crops, and so forth—and was doing mighty good work.

Since that time, however, a number of protests have come from various reservations in South Dakota against the farmers there, asking for their removal. There are reservations in North and South Dakota and Montana and other States where for years the Indians themselves have protested against these farmers, and up to date have failed to have them removed from the service.

Mr. FESS. Mr. President, will the Senator yield?

Mr. FRAZIER. I am glad to yield.

Mr. FESS. The Senator from North Dakota is chairman of the Indian Affairs Committee?

Mr. FRAZIER. Yes.

Mr. FESS. Does the Senator think this additional appropriation is not essential?

Mr. FRAZIER. Mr. President, in answer to the Senator from Ohio, I will say that in normal times, if conditions were as they were a few years ago, I should approve of an appropriation of this kind; but not when conditions are as they are now, when we are short of money, when there is a deficit in the Treasury, when the Indians in many reservations are on the verge of starvation at the present time, when over 2,000 sheep have starved to death out on the Navajo Reservation, and more will starve to death. It is estimated that as high as 50 per cent of the sheep owned by some of those bands of Navajos will die undoubtedly because they are not being taken care of, because the Indians can not get the money necessary to take care of those sheep, to feed them, to keep them going until grass comes.

Mr. FESS. May I put the question in this form: From the standpoint of the Indians, does the Senator think this amount is essential?

Mr. FRAZIER. At the present time I do not think it is. I think the money could be much better spent to feed Indians who are practically starving to death than to hire so-called agricultural experts.

Mr. SMOOT. Mr. President, this is not Indian money at all. This is a direct appropriation of money.

Mr. FRAZIER. Well, we need some direct appropriations to take care of the Indians to-day.

Mr. SMOOT. That is exactly what we think, and that is what we put this provision in there for. They ought to be taken care of.

Mr. FRAZIER. Before they can be taught to farm they have to have enough food at least to live upon, to keep body and soul together.

Mr. SMOOT. That has nothing to do with this proposition. This proposition is to appropriate \$25,000 more in order to prepare the Indian so that he can raise his own food.

Mr. FRAZIER. As I stated before, we have had these farmers for years and years, and under the present law they must be graduates of an agricultural school.

Mr. SMOOT. Mr. President, so far as that is concerned, the Senator does not deny that the result of making these appropriations for teaching the Indians how to farm has been a splendid one, does he?

Mr. FRAZIER. In cases where they have been taught properly, and under certain conditions, the result has been very good. Out on some of the western reservations, where they have irrigation, they have gotten along very well.

Mr. NORBECK. Mr. President, a part of this money is to be used to furnish the Indians seed.

Mr. FRAZIER. No; not this money.

Mr. NORBECK. The language is:

And to maintain a supply of suitable plants or seed for issue to Indians.

Mr. FRAZIER. That is \$15,000 for that purpose. That is not this increased appropriation.

Mr. SMOOT. Not to exceed \$15,000 of the appropriation we are talking about is for that purpose.

Mr. FRAZIER. The Senator from Utah stated yesterday emphatically that this \$25,000 additional was for expert agriculturists. That does not mean seed.

Mr. SMOOT. I did not say that was all it was for.

Mr. FRAZIER. Oh, yes; that was all that the \$25,000 could be used for.

Mr. SMOOT. The wording of the proposed section is very simple, Mr. President.

Mr. FRAZIER. The wording of the proposed section has nothing to do with this increased appropriation. The wording of the proposed section is to provide \$15,000 without this increased appropriation.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. FRAZIER. I am glad to yield.

Mr. McKELLAR. Mr. Dodd testifies as to what is to be done. There can not be any mistake about it. He says:

That has to do with the development of agriculture and stock raising among the Indians.

Mr. SMOOT. That is what I said.

Mr. McKELLAR. Then he goes on to say:

We ask for an increase of \$25,000 in this appropriation—

To provide seed, and other things like that, for the Indian farmers? Not at all. He says:

We ask for an increase of \$25,000 in this appropriation to provide for the salaries and expenses of six additional agricultural extension agents for Indian reservations.

No seed; nothing else. What we are doing is adding to the employees of the bureau to look after these Indians, at good salaries.

Mr. SMOOT. The Senator is reading testimony that refers to another part of the bill.

Mr. McKELLAR. Oh, no; oh, no! This is agriculture and stock raising development.

Mr. SMOOT. I know; but this is a special appropriation for a special purpose for all the Indians.

Mr. McKELLAR. Then Mr. Dodd is not telling the truth about it, and I see no reason to say he is not telling the truth about it, because the Senator asked him for the next item, and he states:

The next item is on page 20.

And that is the page we have here, and the only page.

Mr. SMOOT. Oh, no, Mr. President! Out of the \$407,000, if the amendment is agreed to, it says:

Of which not to exceed \$15,000 may be used to conduct agricultural experiments and demonstrations on Indian school or agency farms and to maintain a supply of suitable plants or seed for issue to Indians.

Mr. McKELLAR. Oh, no; it applies to the \$382,000. That provision was in the House bill. The \$15,000 provision was in the House bill; and it refers to the \$382,000, and not to the \$407,000 at all. The \$407,000 is an additional amount to the \$25,000, as shown here by Mr. Dodd.

Mr. FRAZIER. The \$15,000 is in this paragraph and in this item, regardless of whether this increase is made or not.

Mr. SMOOT. Yes; that is true.

Mr. FRAZIER. Then why try to pass the buck by saying that the \$15,000 is included in this amendment?

Mr. SMOOT. There is no passing the buck at all. If it were a decrease, the \$15,000 would have been paid, and it would have come out of the total amount; and if it is an increase to \$407,000, it comes out of that amount. It makes no difference whether it is an increase or a decrease; \$15,000 of the appropriation is to be used for that purpose.

Mr. FRAZIER. Mr. President, the idea of putting out these so-called district agriculturists is just another case of

duplication in the Indian Service. We have farmers on every reservation, whether there is any agricultural land there or not. They are supposed to teach the Indians how to farm. Then the Indian Bureau wants to put in agricultural experts to give these farmers some additional instruction as to how to teach the Indians. It is all unnecessary, in my opinion. If we have the right kind of farmers, if we have the right kind of superintendents, who are honestly interested in the Indians, we will not need these so-called experts to go around and check up on them.

There is altogether too much duplication in the Indian Service. There is altogether too much money spent on the Indians for the benefit the Indians get out of it. What we want is money for the Indians, and not to hire some high-priced white-collar man at a high salary to drive around in a Government car.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee on page 20, line 12. On that amendment the yeas and nays have been demanded and ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HASTINGS (when his name was called). I have a pair with the junior Senator from Tennessee [Mr. HULL]. Not knowing how he would vote, I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. HEBERT (when his name was called). I have a pair with the junior Senator from Louisiana [Mr. LONG]. In his absence I withhold my vote.

Mr. JONES (when his name was called). I transfer my general pair with the senior Senator from Virginia [Mr. SWANSON] to the senior Senator from Colorado [Mr. WATERMAN] and will vote. I vote "yea."

Mr. McNARY (when his name was called). On this vote I have a pair with the junior Senator from Arkansas [Mrs. CARAWAY]. Not knowing how that Senator would vote, I withhold my vote.

Mr. McKELLAR (when the name of Mr. ROBINSON of Arkansas was called). The senior Senator from Arkansas [Mr. ROBINSON] is necessarily detained from the Senate this afternoon.

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. STEPHENS]. In his absence I withhold my vote.

Mr. THOMAS of Idaho (when his name was called). I have a general pair with the junior Senator from Montana [Mr. WHEELER]. I do not know how that Senator would vote if present, so I withhold my vote. If permitted to vote, I would vote "yea."

Mr. WAGNER (when his name was called). I have a pair with the junior Senator from Missouri [Mr. PATTERSON], which I transfer to the senior Senator from Arizona [Mr. ASHURST], and vote "yea."

The roll call was concluded.

Mr. SHEPPARD. I desire to announce that the senior Senator from Alabama [Mr. BLACK] is necessarily detained from the Senate by illness in his family.

I also desire to announce that the Senator from Kentucky [Mr. BARKLEY], the Senator from New Mexico [Mr. BRATTON], the Senator from South Carolina [Mr. BYRNES], the Senator from Georgia [Mr. GEORGE], and the Senator from Missouri [Mr. HAWES] are detained on official business.

Mr. BINGHAM. I have a general pair with the junior Senator from Virginia [Mr. GLASS]. I am informed that that Senator would if present vote as I intend to vote, and therefore I am permitted to vote. I vote "nay."

Mr. FESS. I desire to announce the following general pairs:

The Senator from California [Mr. SHORTRIDGE] with the Senator from Georgia [Mr. HARRIS];

The Senator from West Virginia [Mr. HATFIELD] with the Senator from North Carolina [Mr. MORRISON];

The Senator from Wyoming [Mr. CAREY] with the Senator from Ohio [Mr. BULKLEY];

The Senator from New Mexico [Mr. CUTTING] with the Senator from Massachusetts [Mr. WALSH]; and

The Senator from Maryland [Mr. GOLDSBOROUGH] with the Senator from New Mexico [Mr. BRATTON].

Mr. METCALF. I have a general pair with the senior Senator from Maryland [Mr. TYDINGS]. In his absence, not knowing how he would vote, I withhold my vote.

Mr. REED (after having voted in the affirmative). I have a general pair with the senior Senator from Arkansas [Mr. ROBINSON], and in his absence I transfer that pair to the junior Senator from New Hampshire [Mr. KEYES] and allow my vote to stand.

Mr. COSTIGAN. The junior Senator from West Virginia [Mr. NEELY] is absent on official business. He has authorized me to say that if present he would have voted "nay."

The result was announced—yeas 20, nays 38, as follows:

## YEAS—20

Blaine	Dickinson	Kendrick	Smith
Broussard	Hale	Norbeck	Smoot
Bulow	Hayden	Oddie	Wagner
Copeland	Johnson	Reed	Watson
Davis	Jones	Sheppard	White

## NAYS—38

Austin	Couzens	Kean	Schall
Bailey	Dale	King	Shipstead
Bankhead	Dill	La Follette	Steiwer
Barbour	Fess	Logan	Thomas, Okla.
Bingham	Fletcher	McGill	Trammell
Brookhart	Frazier	McKellar	Vandenberg
Capper	Glenn	Moses	Walcott
Connally	Gore	Norris	Walsh, Mont.
Coolidge	Harrison	Nye	
Costigan	Howell	Pittman	

## NOT VOTING—38

Ashurst	George	Lewis	Stephens
Barkley	Glass	Long	Swanson
Black	Goldsborough	McNary	Thomas, Idaho
Borah	Harris	Metcalf	Townsend
Bratton	Hastings	Morrison	Tydings
Bulkeley	Hatfield	Neely	Walsh, Mass.
Byrnes	Hawes	Patterson	Waterman
Caraway	Hebert	Robinson, Ark.	Wheeler
Carey	Hull	Robinson, Ind.	
Cutting	Keyes	Shortridge	

So the amendment of the committee was rejected.

## ANNIVERSARY OF THE BIRTH OF NEAL DOW

Mr. SHEPPARD. Mr. President, Sunday, March 20, 1932, will be the one hundred and twenty-eighth anniversary of the birth of Gen. Neal Dow, a pioneer champion of prohibition. I desire to insert in the RECORD a letter relating to this subject from Mr. Arthur Charles Jackson, of Portland, Me., president of the Neal Dow Association for World Peace and Prohibition.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PORTLAND, ME., March 9, 1932.

HON. MORRIS SHEPPARD,  
Washington, D. C.

MY DEAR SENATOR: Portland, Me., this year celebrates the tercentenary of its first settlement and the centenary of its city charter.

Portland is known to a million teachers and other millions of young and old as the birthplace of the world's best-loved poet, Longfellow.

It is also the birthplace of the Christian Endeavor Society, which now has more than 4,000,000 members in 80,000 unions.

It is also the birthplace of the father of prohibition, Gen. Neal Dow, who was born March 20, 1804. Sunday, March 20, 1932, is the one hundred and twenty-eighth anniversary of his birth. It will be observed by many of the quarter of a million churches in the United States, which have an aggregate membership of more than 50,000,000, many of whom cherish the memory of Neal Dow as one of the greatest benefactors of the human race.

The Portland Historical Society and the International Longfellow Society have placed a tablet upon the home where he was born.

The Neal Dow Association for World Peace and Prohibition urges all believers in world peace, temperance, and prohibition to actively seek these blessings for every state and nation, to the end that peace and prosperity may become more abundantly the common lot of all.

And, my dear Senator, permit me to join with the multitude of others in heartfelt appreciation of the untiring and successful service you have rendered one of the greatest endeavors in the history of legislation. "The noblest motive is the public good."

Most sincerely,

ARTHUR CHARLES JACKSON,  
President Neal Dow Association  
for World Peace and Prohibition.

## ADJOURNMENT

Mr. McNARY. I move that the Senate adjourn, the adjournment being until 12 o'clock to-morrow.

The motion was agreed to; and the Senate (at 4 o'clock and 50 minutes p. m.) adjourned until to-morrow, Thursday, March 10, 1932, at 12 o'clock meridian.

## HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 9, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, Thy love inspires our prayer to Thee as our Father. Thou wilt never abandon Thy children. Every cloud will have its rainbow, and every rock will yield sparkling fountains of refreshment. Oh, let us possess that which is far better than earthly gems—the fruit of the matured graces—and then all duties will be put under contribution to the greatest good and our highest possibilities. In these days—days in which our faith is burdened and we just wonder—may our wisdom and our sympathy work helpful transformations. The good Lord direct the soul of Columbia. May we not lose heart nor allow our great institutions to be made ugly by passion or pessimism. Oh, may our love melt selfishness and our brotherly spirit soften the hardened heart. For the erring, faulty, failing one may we have the outstretched hand. Incline us to help carry the burdens of the weak, the sorrows of the poor, and thus fulfill the divine commandment. In the name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7912. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes.

The message also announced that the Senate has passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 28. Concurrent resolution to publish a comparative print of the bill (H. R. 10236) entitled "The revenue bill for 1932," as reported to the House, showing the changes to existing law, as a House document.

The message also announced that the Senate had passed the following resolution:

## Senate Resolution 164

*Resolved*, That the Senate has heard with deep regret of the death of John Philip Sousa, late a lieutenant commander in the Navy, who was universally recognized as the world's greatest composer of march music.

*Resolved*, That a committee of five Senators be appointed by the President of the Senate to join a similar committee on the part of the House of Representatives to attend the funeral of the deceased.

*Resolved*, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

## JOHN PHILIP SOUSA

Mr. RAINEY. Mr. Speaker, on Sunday of this week in a hotel room in Reading, Pa., Lieut. Commander John Philip Sousa died.

Yesterday, while a mountain storm played a requiem to his memory, a long, snow-covered train brought his remains to this Capital City. Seventy-nine years ago he was born in Washington, D. C., and as we assemble here to-day his body lies in state in the Marine Barracks in this city, two blocks from the spot where he was born. His active career covers a period of 60 years of time, and during that time his musical compositions number over 300. He was the greatest bandmaster, the greatest composer of martial music that ever lived in this world. To-morrow, escorted by a military guard and by a guard from the American Legion, a long procession, composed also of representatives of the Masonic Order and of civic organizations, will conduct his body to its last resting place in this city, while a

military band plays in his memory the dirges he himself composed.

Most of us remember a few days ago, on Washington's Birthday, when, apparently in excellent health, he led the massed military bands of the Capital City in front of the Capitol here, while thousands listened to the military music he himself composed.

In his death the world has lost a great musical composer; in his death this country has lost a man whose military music led its armies in the World War.

To-day, all over the world, wherever the American flag floats, on sea or on land, military and naval bands play the marches and the dirges he composed.

I have thought it proper to make this mention in order that the RECORD may show that the House of Representatives appreciates the fact that this country and the world has lost one of its great men. [Applause.]

#### PROFITS OF WAR

Mr. COLLINS. Mr. Speaker, I ask unanimous consent to insert in the RECORD recommendations submitted by me for adoption by the committee appointed in compliance with Public Resolution No. 98 for the elimination of profits during war.

Mr. LA GUARDIA. Mr. Speaker, reserving the right to object, may I ask the gentleman whether his views appear with the report as minority views?

Mr. COLLINS. My views were so incorporated, but these are views that I submitted to the commission for adoption.

Mr. LA GUARDIA. I understand.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COLLINS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following recommendations submitted by me for adoption by the committee appointed in compliance with Public Resolution No. 98, for the elimination of profits during war:

In compliance with Public Resolution No. 98, I submit for adoption by the commission the following:

(1) The establishment of a National Economic Council.

The commission recommends: (a) That an advisory economic council shall be established. Its functions shall be to study economic and social conditions of the United States and to formulate policies which will tend to promote cooperation among all the participants in agriculture, industry, and business; and a more just and equitable participation in and sharing of the fruits of the Nation's wealth, industry, and economic opportunities by all of the people of the United States. (b) This council shall also cooperate with existing agencies in working out economic policies which may serve to promote peaceful trade relations with other nations. (c) The national economic council shall advise with the economic councils of other nations for the purpose of studying ways and means of carrying on trade and otherwise maintaining international trade relations in the interest of continued peace between nations.

(2) The recommendation to Congress of the passing of a joint resolution proposing an amendment to the Constitution of the United States, which reads:

#### "ARTICLE —

"During a war in which the United States is engaged Congress shall have the power to take private property without compensation therefor."

(3) The recommendation to Congress of the passing of a joint resolution proposing an amendment to the Constitution of the United States, which reads:

#### "ARTICLE —

"The making or renewal of any loan to the Government or national of any nation engaged in armed conflict is prohibited, unless the United States is engaged in such conflict as an ally of such nation."

"Congress shall have the power to enforce this article by appropriate legislation."

#### THE KIDNAPING OF THE LINDBERGH BABY

Mr. KARCH. Mr. Speaker, I ask unanimous consent to proceed for 12 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. KARCH. Mr. Speaker, organized society and organized government, lost in a sense of utter impotency, have

capitulated completely and abjectly, and, acknowledging a power higher than themselves, now beg on bended knees of underworld lords to do what cities, counties, States, the National Government, and millions of citizens admit they can not do—rescue the Lindbergh baby.

What does this shameful surrender to the alleged powers of the so-called underworld mean?

Why, sir, it is notice to the parents of every child in America who may have money enough to tempt the cupidity of some lawless gangster that our Government can no longer protect them, and that they must hereafter provide at their own expense their own protection for their babies.

Civilization in America, in this year A. D. 1932, has, by a mere handful of desperadoes, been actually hurled back into the cave days when every man had to protect and to fight for his own household—his own offspring. Jungle law will have superseded the law of civilization if this handful of organized criminals can thus set at naught the powers of organized society.

Organized crime has arrogantly raised its hideous insolence and has spewed corruption and terror throughout the body politic, while in our selfishness and our greed, our lust for place and power, we have pandered to this corruption, we have closed our eyes to the hellish danger and the utter ghastliness of this rising claim of power by a few organized terrorists.

We have been so assiduous in pursuing and in prosecuting the possessor of a pint of liquor that we had not time to crush this monster which has blown its unspeakably vile breath of withering crime across the fair face of the boasted "land of the free, and the home of the brave."

Complacent, preoccupied in our mad struggle for gold, we have been utterly heedless of the rising menace of organized crime directed from high places, crushing with fear, buying with part of the loot of the crimes, controlling through corrupt political influences the very law-enforcement agencies we have depended upon to protect us.

Supine and selfish, society has murmured, then lapsed back into indolent repose and self-centered interest in pursuit of gold, while this evil crime trust has grown and fattened. And now in its arrogant contempt for society and the corrupted and weakened law-enforcement agencies this hideous monster reaches its claw into the peaceful, happy nursery of that quiet home among the trees at Hopewell, N. J., and snatches with cruel jeer that child from its cradle.

Into the home of the hero of the Nation—nay, of the world—and his happy wife reached the slimy claw of unrebuked evil, and from the arms of a brave boy whose whole record discloses not a single act of wrong against his fellow man, from the bosom of that inoffensive wife and mother was snatched their only child.

Charles Lindbergh, fearless Lone Eagle, was turned into a heartsick father. His lovely, modest wife, preparing for the advent of another little one, is transformed into a stricken mother, brave though she is.

Every governmental, State, county, municipal, and social agency, at last aroused by this outrage, the audacity of which has left civilization stunned, turned to the task of apprehension to achieve—what?

Why, Mr. Speaker, to achieve abject surrender to a criminal minority, admitted now to be more powerful than organized society and organized government.

On bended knee, with streaming eyes, this Nation beseeches this new oligarchy to bring our baby back.

"Name your price, dictate your terms, demand your immunities for the agony, the shame, the expense you have perpetrated upon us—anything, anything you will, but for God's sake bring our baby back!" cries a whole Nation to those dastardly, unidentified captors of Baby Lindbergh.

Shame be upon us!

Do not misunderstand me, Mr. Speaker. Lindbergh is right. His child—our child—is infinitely more precious than any amount of money. Get the baby back at all costs.

Lindbergh's happiness, his wife's happiness, the unborn child's future, are precious beyond all computation. Get the baby back!

I have no condemnation at this moment for Salvatore Spitalo and Irving Bitz for the part they play in this drama. Lords of vice and crime, as they are alleged to be, they are what we permitted them to be, what society, perhaps, has made them.

Indeed, it may be that those two gangsters, touched by the pathetic grief of a hero and his wife, will play a more manly part than some of the law officers in this great American tragedy.

But after Baby Lindbergh is back safely in his parents' arms, after the ransom money is paid, after the agony of the world's hero and his wife is ended, what then?

Is this Nation going once again to settle back into drowsy indifference, accepting the horrible fact that abject surrender, pleas on bended knees, tears, treasure, and immunity for evildoers will always bring back the stolen babies or the abducted men and women?

No. A thousand times no! While we are aroused, while the incredible audacity, horror, ghastliness of this thing still burns and sears us, let this Government, this Congress, turn to and with merciless determination stamp into nothingness this hideous thing called organized crime, this false power that parades as a force greater than law and government; this viper that we have permitted—aye, encouraged—to work its sinuous coils about us until to-day we find this Nation begging: "Name your terms, but do not strangle our baby; bring it back to us unharmed!"

This is war, Mr. Speaker, war between human rights and the forces of good government on the one side, and the boast of corruption, lawlessness, bribery, murder, arson, rapine, abduction, robbery on the other.

On the one hand is the Government and the whole of society aroused. On the other is an exceedingly small but incredibly insolent minority. Are we ready, Mr. Speaker, to say to organized crime, to this handful of lawless characters, "You have won the war; you have successfully attacked that home whose desecration you knew would arouse the greatest storm of public indignation; the power is yours to do what you will, so name your indemnities, tell us your terms, impose your reparations, we surrender!"

Good government has not failed. Justice is not prostrate. This country can not, will not be ruled by a vicious minority! Society has not surrendered to crime. Good has not capitulated to evil in America. A handful of vicious desperadoes can not rule the mass of American manhood and womanhood.

Well, then, what are we to do?

We have a bill pending before this body providing for Federal intervention if the mails are used by kidnapers to demand their ransom. Good, but not enough! The mails can be avoided by gangsters.

We have another bill pending before this body providing for Federal intervention if State lines are crossed by criminals who steal babies. Good, but not enough. We would have to find the baby to prove the Federal violation.

We have another bill pending before this body providing the death penalty for kidnaping. Let us go carefully, lest we make murder of the kidnaped victim and destruction of his body the way to escape for the kidnaper by that measure. Think that over well.

We now know that crime in this country is organized, financed, directed from high places.

We know that the coke-sniffing, opium-ridden, crime-fouled rats of sewer and gutter are only the tools with which these high criminal syndicalists work. When we apprehend the actual kidnaper or murderer we seldom reach the master gangster; we get only the knife or the gun, so to speak, which they used. We put some drug-sodden rat in the electric chair and the real planners and directors of crime, snug and smug, in their luxurious surroundings, safe in their haven of corrupt political and police protection, chuckle at their immunity and turn to new deviltry.

The American crime trust is as surely a trust in restraint of trade, in restraint of human liberties, human life, human happiness, as any trust ever investigated and broken up by

the Federal Trade Commission was in contravention to the Sherman Act.

Every line of business is the prey of the organized gangster and racketeer. Nobody—no business is to-day safe from the depredation of the crime trust.

All right, then, the way is pointed out. Let this Congress through its best intellect work out an anticrime trust act that will sweep aside all barriers, all legal quibbling, and strike directly at this appalling menace. Let such a commission as may be necessary be created to investigate and to run down those who plan, who conspire, who direct the crimes which befool and terrorize our Nation.

Then, having created that commission, let us vote enough money, secure enough experienced specialists to coordinate every law-enforcing agency of this Government into one vast machine of detection and punishment. Let us vote all the millions necessary for the task and annihilate this octopus which has too long terrorized and strangled our society.

This is not an insurmountable task. Crime is not a real force. This is not a great aggregation of powerful men. This is not a supergovernment. It is a slimy and cowardly bluff, using human derelicts as its tools, corruption as its traffic, crime as its avenues of gain, and stealth as its highways.

Mr. Speaker, let us act now.

If we will, if we enact now an anticrime trust statute as broad and powerful as the Sherman Antitrust Act, we will wipe out this foul stain from our land, and, having done that, the agony of our Lone Eagle and his mate will not have been in vain. I verily believe that such power is inherent in this Government, above and outside of our Constitution. [Applause.]

#### ECONOMY

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent to extend my own remarks by inserting a radio address on economy, delivered March 8.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOODRUM. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

The United States is passing through one of the most tragic periods of economic readjustment in its history. There have been in other years so-called depressions and panics, but never before perhaps has the descent from the heights of prosperity, or what we thought to be prosperity, been so sudden, so continuous, and so disastrous. There is not a business, an industry, nor, indeed, an individual, who has not felt the stinging lash of these strenuous times. Many citizens have seen the work and savings of a lifetime wiped out. The cry of the auctioneer and the wail of broken hearts blend with the ceaseless tramp of the vast army of the unemployed. With it all, however, Americans, with their characteristic optimism and courage, are not without hope, and even now a faint gleam appears on the horizon that presages the coming of a brighter day.

Nor has industry, business, and the citizen, in his individual capacity, been the only ones to suffer. Government resources have suffered a sharp decline. City, county, and State governments have been brought up suddenly face to face with the problem of adjusting their expenditures to reduced incomes.

The Federal Government has been no exception. On one hand, we have a prospective deficit in the Public Treasury variously estimated up to \$2,000,000,000. On the other hand, we are faced with the necessity of passing relief measures calling for large sums of money in an effort to stimulate business and relieve unemployment. Added to this are the insistent demands from various groups for large appropriations for particular projects. The legislative branch of the National Government is faced with an economic problem that overshadows everything else.

#### A BALANCED BUDGET

In the affairs of government, as well as individuals, a balanced budget is the keystone in the arch of economic solidarity. The problem of balancing the Federal Budget has presented many difficult and oftentimes unpleasant aspects. The first and major problem confronting the Congress has been to reduce public expenditures to an absolute minimum. If, when that has been done, there is still a deficit, as there will be, then Congress is faced with the unpleasant duty of passing a tax bill that will raise sufficient revenue to substantially meet the expenditures through the coming year.

The Appropriations Committee of the House of Representatives, of which I have the honor to be a member, immediately

upon the convening of Congress set about the task of reducing public expenditures in the annual appropriation bills. Under the able and courageous leadership of the chairman of our Appropriations Committee, Mr. JOSEPH BYRNS, of Tennessee, this committee has worked day and night in an effort to discharge its duty to the public. I am very happy to be able to say that in its deliberations partisan politics have been laid aside, and the membership of this great committee has labored shoulder to shoulder with the single purpose of reducing expenditures to the absolute minimum consistent with the efficient operation of Government.

#### THE POLICY

In approaching the subject of reduction of expenditures certain fundamental rules have been adhered to. In the first place, the committee has in no instance increased the estimates of the Bureau of the Budget approved by the President. Nor has any new project been added in an appropriation bill that has not been approved and estimated for by the Bureau of the Budget and the President. So far the Appropriations Committee has adhered strictly to these principles.

In the second place, the estimates submitted to Congress by the Bureau of the Budget, with the approval of the President, for the various bureaus, departments, and activities of the Government, are scrutinized carefully and reduced wherever possible, consistent with the public interests.

Third, all projects or proposed expenditures not absolutely necessary are either abandoned or postponed.

Fourth, surplus personnel, not absolutely necessary for the efficient conduct of the public business, is dispensed with. (This is indeed a most unpleasant duty, but there can be no justification for continuing upon the pay roll personnel that can be dispensed with.)

Fifth, the committee has written into each appropriation bill passed so far a provision that during the coming fiscal year there shall be no automatic promotions or increases in the salaries of the Government employees.

#### FIVE BILLS REPORTED

Following these principles five major appropriation bills have been reported to the Congress by the committee, as follows: The Department of Agriculture, the Interior Department, the State, Justice, Commerce, and Labor Departments, the Treasury and Post Office Departments, and the independent offices appropriation bills. The first four of these have passed the House and now await action by the Senate. In these five bills the estimates for the coming fiscal year have been reduced by the Budget \$358,088,831.85 less than the appropriations for the same activities during the present fiscal year.

In these five bills the Appropriations Committee of the House of Representatives made further total reductions (including the first deficiency bill) under Budget estimates of \$114,579,052.56, or, to summarize, the total reductions in these five appropriation bills less than the appropriations for the present fiscal year, exclusive of the first deficiency bill, are \$458,496,764.41.

The last of these five bills to be reported to the House of Representatives was the independent offices appropriation bill. I have the honor to be chairman of the subcommittee which reported this bill. This legislation provides the appropriations for 30 Government bureaus and departments, including such important activities as the Veterans' Administration, Interstate Commerce Commission, Federal Trade Commission, Federal Tariff Commission, Radio Commission, and others. Our committee, in reporting this bill, made total reductions less than the estimates which had been approved by the Bureau of the Budget and the President of \$54,498,535.

#### INDEPENDENT OFFICES BILL

It might be of interest now to comment briefly on the independent offices bill, which, as I have said, is now before the House for consideration. The subcommittee framing this bill, of which I have the honor to be chairman, conducted long and exhaustive hearings on this legislation. The printed hearings cover more than 700 pages of printed matter. We think it constitutes an exhaustive analysis of these several activities and their requests for appropriations. The total amount of the bill as it came to us from the Bureau of the Budget, with the approval of the President, was \$1,041,395,041. From this the committee has made reductions which total \$54,948,535. Some drastic cuts have been made, yet the committee does not feel that any needed and useful function of the Government has been crippled.

Time does not permit a detailed examination of these several items, but I shall comment briefly on several of them in passing.

#### INTERSTATE COMMERCE COMMISSION

The Interstate Commerce Commission was given a cut of \$1,533,321, and \$1,483,321 represents a cut because of the opinion of the committee that the commission should suspend work on recapture of excess earnings until the policy of the Government is definitely established with reference to this subject. The committee is of the belief that recapture will be retroactively repealed at this session of the Congress, since the legislation for the repeal has the full indorsement of the Interstate Commerce Commission and there has not developed any substantial opposition to the repeal.

The transportation act of 1920 requires that one-half of all earnings by railroads over 6 per cent on the value of railway property be turned over to the Interstate Commerce Commission to be loaned by it to roads that can justify the loan and to build equipment which can be leased to railroads needing it. This

recapture money does not go into the general Treasury of the Government, nor can it be returned to shippers to reduce the rate burden.

This provision has been in effect for 12 years. Experience has demonstrated that it is unworkable and it has already cost the Government \$37,000,000 and the railroads \$136,000,000, a total of \$173,000,000, and the principles of valuation have not yet been determined by the United States Supreme Court. The Interstate Commerce Commission has repeatedly advocated its repeal because it is unworkable, provokes litigation, and "hangs like a cloud over the credit of many companies when times are bad."

#### FARM BOARD

Another of the principal cuts in the bill was a reduction of the appropriation for the Federal Farm Board of \$1,880,000. The committee reduced this item to \$1,000,000. If we have erred, it has been because the reduction has not been sufficiently drastic. It is not the function of the Appropriations Committee to make fundamental changes in the basic law. Therefore the much-agitated question of whether the Federal Farm Board should be abolished or whether it should be consolidated with the Department of Agriculture was not before our committee for consideration.

We did feel, however, that upon a careful audit of their estimates for expenditures there had been included in their estimates requests for appropriations that were not needed and that could have very well been eliminated without material injury to the primary purpose of the Farm Board, which is twofold: First, to handle the \$500,000,000 revolving fund which is loaned to cooperative associations to assist in stabilizing prices and marketing their crops; and, second, in the activities of the Farm Board in assisting cooperatives in perfecting marketing organizations.

The sum of \$1,000,000 will be ample for this purpose if it is so used by the Farm Board.

#### VETERANS' ADMINISTRATION

The other reduction in the appropriations in the sum of \$51,161,732 was in the estimates for the Veterans' Administration.

The total amount carried in this bill for the Veterans' Administration, which includes the veterans of all wars, pensions, compensation, hospitalization, and domiciliary care, is \$928,387,795. Of this sum approximately \$800,000,000 is paid directly to the veterans in cash. On the first day of every month 1,400,000 checks go out of the offices of the Veterans' Administration to beneficiaries aggregating an amount more than \$60,500,000 monthly. Since the World War Congress has authorized new hospitals and domiciliary construction for veterans totaling an amount of \$127,391,991.85. Of this sum the entire amount has been allocated with the exception of \$3,430,000, and when the entire new construction has been completed it will provide for 37,187 beds.

The Veterans' Administration, including its own facilities and the hospital facilities which are provided for in Army, Navy, and Public Health Service hospitals, has an average of 50,000 hospital and domiciliary beds in use. An interesting statement in connection with the veterans' expenditures is that out of the total amount appropriated for the Veterans' Administration only 5 per cent is expended in administrative costs. The remaining 95 per cent goes to the veterans either in direct cash benefits or in hospitalization or domiciliary care and attention.

The committee cuts of \$50,000,000 in the estimate for the adjusted-service certificate fund and of \$1,161,732 in the administrative appropriation do not involve any reduction either in the amount or quality of benefits to the veterans.

The reduced amounts were agreed upon after a very careful consideration by the subcommittee and the Administrator of Veterans' Affairs, General Hines, of the actual requirements on the basis of the present situation, which is materially different from that existing six months ago, when the estimates were made up. General Hines assured the subcommittee that no veteran will suffer any diminution in the amount of loans on their adjusted-service certificates or in the number of available beds or other hospitalization services or in the quality of such services.

There are five major appropriation bills to follow, namely, District of Columbia bill, the legislative bill, the War and Navy Departments, and the second deficiency bill. It is the ambition of the Appropriations Committee that when we shall have finished with these regular appropriation bills savings and reductions under the estimates approved by the Budget and the President will aggregate \$200,000,000. While this is a substantial and credible showing, it will not be sufficient to balance the Federal Budget, and there has just been reported to the House of Representatives a tax bill which will shortly come up for consideration and action.

It should be noted at this point that the House of Representatives has given to the Appropriations Committee very splendid and patriotic support in its effort to curtail public expenditures, with one notable exception. On Saturday last the House of Representatives by a vote of 160 to 155 struck out of the Post Office-Treasury appropriation bill the provision against automatic promotion and salary increases for Federal employees during the coming fiscal year.

This action was taken by the House of Representatives over the protest of the Appropriations Committee. Unless this section can be reinstated in this bill when it is considered in the Senate, an important part of the economy program of the Appropriations Committee will be lost. The result will be an added cost of many millions of dollars to the Federal pay roll during the next fiscal year.

This committee views with alarm and disappointment the action of the House of Representative in striking this section from this

bill. It had been carried in the other bills so far passed by the House. It should be made clear that it called for no reductions in the salaries of the employees of the Federal Government, and it only provided that during the present crisis the employees of the Government forego the right of automatic promotion and salary increase.

#### SALARY REDUCTION

Speaking personally, as a Member of Congress, I feel that if this action of the House of Representatives accurately reflects the attitude of the Federal employees that they have failed to show a degree of patriotic interest in the financial recovery of the Government and the welfare of the American people that they might be expected to exhibit. Every line of business and industry and every profession has felt the stinging lash of the present economic distress. County, city, and State government employees and officials have had to take decreases in their salaries, and, in fact, the only group of American citizens who have come through so far without any reduction in their income or loss of time are the employees of the Government.

It now appears to me to be the duty of Congress to immediately pass legislation which will make a proper reduction in the Federal pay roll, during the present emergency, and that this reduction should apply to all employees of the Government from the Cabinet down, Members of Congress of course included. This is not a pleasant thing to contemplate or suggest. So far as I can see, there appears to be no alternative.

As a further means of reducing public expenditures there has been appointed by authority of Congress a Committee on Economy and Reorganization, which is conducting daily hearings with a view to abolishing useless bureaus and departments and making reorganizations and consolidations wherever possible in the interests of economy and efficiency. Undoubtedly this is a fertile field for operation, and it is hoped that before the adjournment of the present session of Congress, this committee will have a constructive report to make to the House of Representatives.

If what I have said presents a pessimistic outlook, it is only because the true facts justify such statements. It is to be sincerely hoped that the individual American citizen and the groups and organizations who are looking to the Federal Treasury for appropriations will bear in mind the present condition of the Federal Treasury and cooperate with the national legislative body to the extent of not insisting upon additional appropriations in the present emergency.

#### LIMITATION OF INJUNCTIONS

Mr. KELLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. KELLER. Mr. Speaker, the declaration of public policy contained in this bill is a further and more explicit recognition than any yet made that industry is a national matter. More and more are we going to recognize this all-important fact.

This law will be accepted gladly by every just and upright judge. This law will be accepted with thanksgiving by all men and women who labor, and it will not be abused by them.

It is indeed an expression of democracy and justice which has only been too long delayed.

The privilege of voting for this anti-injunction measure is worth all the years I have spent in advocating its enactment.

#### SPECIAL APPLICATION FEES

The SPEAKER. This is Calendar Wednesday. The Clerk will call the committees.

The Clerk called the committees, and when the Committee on the Post Office and Post Roads was reached,

Mr. MEAD. Mr. Speaker, I call up the bill (H. R. 8817) to provide for fees for entry of a publication as second-class matter, and for other purposes.

The SPEAKER. This bill is on the Union Calendar, and the House automatically goes into Committee of the Whole House on the state of the Union.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. MAJOR in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the consideration of the bill of which the Clerk will read the title.

The Clerk read as follows:

H. R. 8817. To provide for fees for entry of a publication as second-class matter, and for other purposes.

Mr. MEAD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MEAD. Mr. Chairman, I yield one-half of the time to the gentleman from New York [Mr. SANDERS]. This is a bill to provide fees for the entry of publications as second-class mail matter; it was recommended by the Postmaster General. In his letter to the committee recommending the legislation he makes these observations:

There are received each year approximately 2,500 applications for entry of publications as second-class matter; 2,000 applications for reentry on account of change in title, frequency of issue, office of publication, and for other reasons; 100 applications for registry as news agents; and 15,000 applications for permits to mail matter without stamps affixed. About 3,900 second-class publications are discontinued each year and about 100 news agents' permits and 3,000 permits to mail without stamps affixed are abandoned each year.

In this proposed legislation we provide that an applicant for second-class mail privileges shall pay a fee of \$100, and for a request for reentry a fee of \$10.

The Postmaster General estimates that this will add \$500,000 to the revenues of the department. The committee reported the bill unanimously.

Mr. HASTINGS. What are the present fees?

Mr. MEAD. There are no fees at present. This is new revenue. The fees are to cover the cost of the work done by the department in connection with these requests.

Mr. HASTINGS. And the report is unanimous?

Mr. MEAD. Yes.

Mr. FINLEY. What class of publications does this include?

Mr. MEAD. Newspapers and magazines, all second-class mail.

Mr. LaGUARDIA. The permit to use mail without affixing stamps is quite a saving, because no cancellation is necessary.

Mr. MEAD. These fees are to cover the proceedings necessary before granting the request.

Mr. LaGUARDIA. There is no \$10 charge now?

Mr. MEAD. No. I understand not.

Mr. LaGUARDIA. The \$100 fee is not credited later on to their account for services?

Mr. MEAD. No. The fee is for the application; and on this class of mail we lose considerable money, according to the ascertainment cost commission report.

Mr. STAFFORD. I have had considerable difficulty in recalling the service for news agents, for which you require a fee of \$20?

Mr. KELLY of Pennsylvania. At the present time news agents registered in the Post Office Department enter their publications as second-class matter. At the present time no fees are paid for that right. Under this bill when any new attempt is made to secure that right by a news agent there will be a fee charged.

Mr. STAFFORD. Do I understand the gentleman to convey the idea that the news agent enters the publication the second time?

Mr. KELLY of Pennsylvania. He gets second-class rates on certain publications. They are sent to the news agent by the publisher at the second-class rate.

Mr. STAFFORD. I think I must be rather obtuse, because I have not as yet got a clear idea of just what function these news agents perform for which a fee is required, as far as second-class matter is concerned.

Mr. KELLY of Pennsylvania. There are eight subclassifications under the second-class rate. One rate schedule is based on zone and is figured for the zone rates. There are eight subclassifications. News agents get their rate on account of being registered in the Post Office Department. They have applied for it and have been given that right.

Mr. STAFFORD. Does this pertain to the character of service which was called to my attention when I served on the Committee on the Post Office and Post Roads nearly 25 years ago, as, for example, where the Curtis Publishing Co. would send the Saturday Evening Post by freight or express, say, to Kansas City, and then deposit it there in the mails for local delivery?

Mr. KELLY of Pennsylvania. A number of publications have what is known as an additional office of entry, which they now get without any payment whatever. Under this bill they must pay a fee for each additional office of entry.

Mr. STAFFORD. Then I assume that is the character of service the gentleman refers to. A publishing house names some news agent to receive his publications in large quantities, so that that news agent may distribute them locally, within a radius of perhaps 100 miles, whenever it is economical or to their advantage to have them distributed by post.

Mr. KELLY of Pennsylvania. That is done under additional offices of entry.

Mr. LaGUARDIA. Is that the answer the gentleman wishes to give?

Mr. KELLY of Pennsylvania. That is covered in the next clause on additional offices of entry, which provides a fee for that. These news agents are on a different basis. They now have the second-class rate.

Mr. STAFFORD. Will the gentleman tell us what the news agent does that requires him to be registered and for which he makes an application? Is it the ordinary news agent who sells periodicals or newspapers or is it a large central agency like the Central News Co. that has some privilege connected with the distribution?

Mr. KELLY of Pennsylvania. That is it exactly, the wholesale concerns, these large distributing agents. There are only a few in the United States.

Mr. LaGUARDIA. What I can not understand is this. Is it to give the publisher the right to send periodicals or second-class matter in bulk to the agent and stop there, or is it to give the agent the right to distribute from his point on?

Mr. KELLY of Pennsylvania. As I understand it, these registered news agents take the publications and magazines and send them out themselves.

Mr. STAFFORD. It is a matter of redistribution?

Mr. KELLY of Pennsylvania. Yes.

Mr. STAFFORD. But in their zone?

Mr. KELLY of Pennsylvania. Yes.

Mr. THATCHER. Mr. Chairman, will the gentleman yield?

Mr. KELLY of Pennsylvania. Yes.

Mr. THATCHER. It may have been stated, but I did not catch it. How much revenue will the operation of this law yield annually to the Post Office Department?

Mr. KELLY of Pennsylvania. Half a million dollars a year. It will not do any injustice to anybody, but in the future those who expect this privilege will be obliged to pay a fee.

Mr. THATCHER. And the bill has the approval of the Post Office Department?

Mr. KELLY of Pennsylvania. Yes; and has the unanimous report of the Committee on the Post Office and Post Roads.

Mr. MEAD. Mr. Chairman, I ask that the Clerk read the bill for amendment.

The Clerk read as follows:

*Be it enacted, etc.,* That hereafter each application for entry of a publication as second-class matter shall be accompanied with a fee of \$100; each request for reentry of a publication as second-class matter on account of a change in title, frequency of issue, office of publication, or for other reason, and each request for additional entry of a publication as second-class matter shall be accompanied with a fee of \$10; each application for registry of a news agent shall be accompanied with a fee of \$20. Each application for a permit to mail matter without stamps affixed as provided by sections 273 and 291, title 39, United States Code, Supplement V, and section 295, title 39, United States Code—

With the following committee amendment:

Page 2, line 3, strike out "sections 273 and 291, title 39, United States Code, Supplement V, and section 295, title 39, United States Code," and insert: "the act approved June 9, 1930 (46 Stat. 526; U. S. C., Supp. V, title 39, secs. 221a, 273, and 291a), section 6 of the act approved May 29, 1928 (45 Stat. 941; U. S. C., Supp. V, title 39, sec. 291), and section 13 of the act approved May 18, 1916 (39 Stat. 162; U. S. C., title 39, sec. 295), and the regulations made pursuant thereto by the Postmaster General, shall be accompanied with a fee of \$10."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. MEAD. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and Mr. BANKHEAD having assumed the chair as Speaker pro tempore, Mr. MAJOR, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 8817, and had directed him to report the same back with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. MEAD. Mr. Speaker, I move the previous question on the bill and amendment to final passage.

The previous question was ordered.

The SPEAKER pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

#### TRANSIENT SECOND-CLASS MAIL MATTER

Mr. MEAD. Mr. Speaker, I call up the bill (H. R. 8818) to amend section 287 of title 39 of the United States Code, Supplement V.

The SPEAKER pro tempore. The gentleman from New York calls up the bill H. R. 8818, which the Clerk will report. The Clerk reported the title of the bill.

Mr. MEAD. Mr. Speaker, this bill is on the Union Calendar, and I ask unanimous consent that it be considered in the House as in the Committee of the Whole House on the state of the Union.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, I think this should be considered in the Committee of the Whole. I object.

The SPEAKER pro tempore. The gentleman from Wisconsin objects. The House will automatically resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 8818, and the gentleman from Arkansas [Mr. GLOVER] will please take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 8818, with Mr. GLOVER in the chair.

The Clerk read the title of the bill.

Mr. MEAD. Mr. Chairman, I ask unanimous consent to dispense with the first reading of the bill.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MEAD. Mr. Chairman, this bill (H. R. 8818) has been unanimously reported by the Committee on the Post Office and Post Roads. It merely changes the prevailing rates as applicable to this form of mail matter. The present rate is 1 cent each for 2 ounces of such mail matter, regardless of weight or distance. This law authorizes the users of this class of mail matter to utilize the parcel post and parcel-post rates, which will result in a reduced rate of postage, and, according to information that reaches us from the department, will result in increasing the revenue.

The Postmaster General, in a report on the bill, states:

The purpose of the bill is to modify the rate of postage of 1 cent for each 2 ounces or fraction of 2 ounces now applicable to second-class matter mailed under the conditions set forth in the bill so that the fourth-class or parcel-post rates will apply when the postage at the latter rates would be lower.

Experience has shown that the present transient second-class rate works to exclude mailings of the heavier weights, and it is believed that the modification proposed would increase the volume of such mailings sufficient to bring in additional revenue of approximately \$500,000 annually. Therefore, the bill has the approval of this department, and its enactment into law is recommended.

Mr. KELLY of Pennsylvania. Will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. KELLY of Pennsylvania. The class of mail matter that this bill applies to, of course, is transient second class, which consists of publications sent out by others than publishers and registered agents.

Mr. MEAD. That is correct.

Mr. KELLY of Pennsylvania. The rate at the present time, 1 cent for 2 ounces, means a rather high rate, and has excluded a great deal of mail matter, so that by reducing this rate the Post Office Department estimates additional revenue will be received of \$500,000.

Mr. LA GUARDIA. Will the gentleman yield?

Mr. KELLY of Pennsylvania. I yield.

Mr. LA GUARDIA. Can it be carried at the reduced rate without loss?

Mr. MEAD. We took the figures given us by the department.

Mr. KELLY of Pennsylvania. The Postmaster General makes a different argument on another class of mail matter than he makes on this. I agree with him on this contention.

Mr. STAFFORD. Will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. STAFFORD. Can the gentleman inform the committee as to the reason why Congress some years back provided that a complete newspaper could be sent in the mails at a lower rate than a fractional part of a newspaper?

Mr. KELLY of Pennsylvania. I can answer the gentleman. That may be possible where this second-class transient rate is higher than the regular publisher rate.

Mr. STAFFORD. When I wish to send any part of a newspaper, after I have purchased it, to some other part of the country I am charged a higher rate than if it is the entire paper. I have no desire to send the advertising supplement, but when I take it to the post office they ask me, "Is it a complete paper or is it but a part of a paper? If it is a complete paper it bears a lower rate than if it is a fractional part." Why that discrimination in rates?

Mr. KELLY of Pennsylvania. The reason for that is that the paper which is only a part of a paper is third-class matter, which rate is 1½ cents for 2 ounces. The complete paper as received from the publisher is transient second class, which has a rate of 1 cent for 2 ounces. Therefore the one-half cent states the difference to which the gentleman refers.

Mr. STAFFORD. Mr. Chairman, I ask for recognition.

The CHAIRMAN. Is there any member of the committee who is opposed to the bill? [After a pause.] If not, the Chair will recognize the gentleman from Wisconsin, Mr. STAFFORD.

Mr. STAFFORD. Mr. Chairman, I merely take the floor for a few moments to direct the attention of the committee to the fact that in the proviso we are seeking to recognize the right to send ad libitum, sample copies of publications. For years certain publishers of advertising sheets have been desirous of securing the privilege of sending through the mails at the pound rate sample copies in excess of the prescribed minimum. I notice the distinguished gentleman from Pennsylvania [Mr. KELLY], who follows this legislation closely when it is brought up on the floor, reading very intently the proviso that I refer to. Will the gentleman explain whether that is the purpose of the proviso?

Mr. KELLY of Pennsylvania. The gentleman knows that now, under the law, there are provisions by which sample copies of a publication may be sent at regular second-class rates. Where it goes over 10 per cent, this rate shall apply.

Mr. STAFFORD. Yes. That is why I have taken the floor. I will ask the gentleman from Pennsylvania whether the committee gave any thought to that recommendation of the Post Office Department?

Mr. KELLY of Pennsylvania. Yes. I will say that at the present time 10 per cent of the total circulation through the mails may be sent at the regular second-class rates. Under this provision if more than 10 per cent goes through, then we are providing that they may use these rates, which are considerably higher than the second-class rates.

Mr. STAFFORD. How much higher?

Mr. KELLY of Pennsylvania. Well, it is the difference between 1½ cents a pound in the first and second zones, for instance, and a rate of 7 cents on parcel post for the first zone. So that this rate is much higher than the rate now given the 10 per cent.

Mr. STAFFORD. Where will we find the provision that would charge 7 cents for these sample copies over the 10 per cent limit now authorized by law?

Mr. KELLY of Pennsylvania. This bill does increase the rate—that where it is less than 8 ounces the rate shall be 1 cent per 2 ounces; but where it goes over that the amount, it shall pay the parcel-post rate.

Mr. STAFFORD. One cent for 2 ounces?

Mr. KELLY of Pennsylvania. That is, up to 8 ounces.

Mr. STAFFORD. I think, gentlemen, we have a very serious proposition before us. I remember—and I am merely giving the benefit of the information I gleaned nearly 30 years ago when I served for 8 years on the Committee on the Post Office and Post Roads—that the so-called advertising-sheet publishers requested us to grant them the free use of the mails. They were willing to pay not only 1 cent a pound, but many times that rate. Now the gentleman is opening the flood gates to these advertising sheets; not to legitimate publications, but to advertising sheets.

He is opening the floodgates so that instead of a limitation of 10 per cent of bona fide subscribers they will be able to send as many publications as they desire to send. At what rate? At a compensatory rate? No. I do not think the rate that is prescribed here, of 1 cent for 2 ounces, is at all compensatory. We know that the second-class mail is paying nothing comparable to the burden of expense imposed upon the Government; that that is where the loss comes; that the first-class mail pays the burden for all this subsidized second-class mail matter.

I see nothing in the report which shows the amount of revenues that would be received by opening the floodgates to these advertising sheets. By this we are permitting the publishers of all newspapers to send through the mail an excess quantity of their publications, regardless of the number of bona fide subscribers. I think that is a serious question for the Congress to consider, especially at this time when we are being confronted with a deficit in the revenues.

It is true we will get more money, but we will pay out more money for the service. It is true we will get more money than we get under the 1-cent-a-pound rate, but the rate as herein provided is not compensatory for the service given.

Here is a letter carrier getting a maximum salary of \$2,100 per annum. He can only carry so much. In prosperous times he is weighted down with first-class matter. You pass this bill and you are going to require additional letter-carrier service for advertising purposes and for advertising purposes alone.

I have not gone into the intricacies as to how much additional cost will be imposed by conferring this additional privilege, but I know the rate is not compensatory and that we are opening wide the privileges of the mails and permitting the sending out of an excess over the limit that has been the limit for years and years. Ten per cent of the bona fide subscribers has been the limit to which publishers could send sample copies.

The gentleman from New York said this was a minor bill. Unfortunately it is one of the few bills I did not have on my list to which I could give consideration. That was my reason for asking that the bill be considered in the Committee of the Whole.

It is a rather major bill because of the extent to which it is going to open the mails to second-class publications.

Mr. FULBRIGHT. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. FULBRIGHT. I would like to ask the gentleman if he knows whether or not this class of mail is now being carried at a loss?

Mr. STAFFORD. It has been acknowledged for years and years that second-class mail matter is the one burden upon

the post-office service, and which this year is occasioning a deficit of more than \$150,000,000. If we were only carrying first-class mail, there would not be a deficit.

Mr. KENDALL. Will the gentleman yield?

Mr. STAFFORD. I yield to the gentleman from Pennsylvania, a member of the committee.

Mr. KENDALL. The true deficit is \$98,000,000 instead of \$150,000,000.

Mr. STAFFORD. The gentleman says the true deficit is \$98,000,000, but the postal year has not been finished. The true deficit for the last fiscal year was \$98,000,000, but I venture to predict—and I do not believe the gentleman from Pennsylvania will challenge the statement—that for the fiscal year 1932 the deficit will be more than \$150,000,000. It has been estimated by the Postmaster General that the deficit will be more than \$150,000,000.

Mr. KENDALL. I understood the gentleman to say that the deficit of the year just past was \$150,000,000.

Mr. STAFFORD. I am referring to the threatened deficit, which makes it necessary to introduce a tax bill which calls for the levying of a sales tax upon every consumer in this country, and that tax is imposed on almost everything except the breakfast table. I ask the gentleman whether it is the purpose to open wide the privilege of sending second-class matter above the present limit of 10 per cent of the bona fide subscribers, that having been the limit for 100 years. The gentleman from Pennsylvania says the rates are increased, but what are those increased rates? That this class of mail shall pay 1 cent for 2 ounces or fraction thereof.

Mr. KELLY of Pennsylvania. The gentleman is under a misapprehension, I am sorry to say. The gentleman should not understand we are doing anything here different from what is being done now as far as volume of mail is concerned. At the present time a publisher can send any number of his publications above 10 per cent through the mails at the third-class rates provided by law. We are providing in the bill that he may send them by parcel post at regular rates, which run as high as 12 cents a pound.

Mr. STAFFORD. What is the rate at which the publisher is now privileged to send this excess number above 10 per cent?

Mr. KELLY of Pennsylvania. At the third-class rate of 1½ cents for 2 ounces.

Mr. STAFFORD. What is the rate in the bill?

Mr. KELLY of Pennsylvania. In some cases it will be 12 cents, which is the parcel-post rate that now prevails, and the lowest rate will be 7 cents, which will pay the cost of transportation and handling.

Mr. STAFFORD. Seven cents a pound, gentlemen, for a little advertising sheet which does not weigh an ounce, and with 16 ounces to the pound, this means 16 copies or more that they are privileged to send a great distance for less than a cent. If you send a circular letter even for local delivery, you are obliged to affix a 1-cent postage stamp, and it can not be sealed.

The gentleman's statement only confirms what I have stated, that while this provision may increase the revenue slightly, it is throwing open the gates to these advertising sheets and permitting these advertising houses to utilize the mails, which we have been guarding against for years and years.

Mr. FULBRIGHT. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. FULBRIGHT. Does the gentleman think this legislation would increase or reduce the deficit?

Mr. STAFFORD. If the premise of the gentleman from Pennsylvania is correct, which I have some reason to question, that the publishing houses to-day have the privilege of sending ad libitum through the mail above the 10 per cent, I am frank to say that, perhaps, a little additional revenue would be derived; but I was predicating my argument upon the assumption—and I was right in that particular—that newspaper publishers could only send through the mails at the pound rate to the extent of 10 per cent of their paid subscribers. I am rather inclined to believe that

the gentleman is right that they could send as third-class matter any amount.

Of course, this is new to me. I have not studied this minutely for years and years. I am projecting this discussion to the House so as to bring out the respective merits of these proposals.

The publishers up to 10 per cent would have to pay merely at the pound rate, but at the third-class rate it would be 1½ cents for each 2 ounces or less—or is it 2 ounces and more?

Mr. KELLY of Pennsylvania. Up to 2 ounces.

Mr. STAFFORD. And for every additional ounce, what is the rate?

Mr. KELLY. The same rate.

Mr. STAFFORD. I have taken this opportunity to bring this matter to the attention of the committee. I hope the chairman will reply, if reply is necessary, to the position I have taken.

Mr. Chairman, I reserve the balance of my time.

Mr. MEAD. Mr. Chairman, our committee had representatives of the department explain the provisions contained in the bill and were advised that the revenues of the department would be increased \$500,000 annually. This measure will not work a hardship on anyone. It will merely permit the use of the parcel-post rates when those rates are lower than the rates now applicable to this particular form of mail matter.

I think the gentleman from Wisconsin [Mr. STAFFORD] is under a misapprehension and is discussing a matter that, in my judgment, has no bearing upon the proposed legislation.

With the gentleman from Wisconsin, I disagree with the Postmaster General occasionally when he informs us that reducing rates will reduce revenue. Here is one instance, however, where I take the word of the Postmaster General when he tells us that reducing the rates or making the lower rates applicable will increase the volume, and in that way increase the revenue. The members of your committee in reporting this bill unanimously felt that the added revenue would, at least in a small degree, contribute to a reduction of the deficit, and for that reason favors the passage of the bill.

Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. LaGUARDIA].

Mr. LaGUARDIA. Mr. Chairman, it is with a great deal of sorrow that I have to call the attention of the House to a most tragic occurrence—tragic because it was avoidable.

A few days ago I referred on the floor to the conditions prevailing in the Century Airlines. I gave this House direct information of the ruthless method being employed by that company under the direction of Mr. Cord, in his cruel attempt to bring down the standard of his pilots. He first came to Washington with a suggestion that he could carry the mails for one-half the rate, received a courteous and attentive hearing, returned to Chicago, called in his pilots, told them he would take the romance out of aviation, reduced and slashed the pay of the pilots 40 per cent, and stated he would bring them down to \$150 a month, which is less than a truck driver receives in a city.

Arbitration was suggested by the pilots, they even went so far as to call upon the Bureau of Conciliation in the Department of Labor. Before the agreed time of truce had expired, the company, on orders of Mr. Cord, discharged all the pilots.

I pointed out to the House on two occasions the conduct of the company and warned the public to keep off of these machines, because they were employing men who did not have experience, compelling them to work under unbearable and dangerous conditions, and it would be simply impossible to operate an air line with any degree of safety under such conditions.

Yesterday two men were killed and five injured in an airplane accident, which was avoidable. The plane was owned and operated by the Century Line in their attempt to lower the standards of aviation. The three injured were being

trained in night flying preparatory to taking passenger planes.

Gentlemen, I can tell you from actual experience that men can not be trained for night flying by the methods employed by this company. I was trained in night flying myself, and under conditions that could not be compared to peace-time conditions. I can assure the House that in peace-time passenger service night flying requires the greatest skill and care. Men must be thoroughly trained and have long experience in night flying before being intrusted with human lives.

Two of the pilots were killed and three were injured. Now, this company has brought disaster and confusion in the aviation industry. It has destroyed the confidence of the public in air transportation. Aviation does not want that kind of people in charge of operations of air lines.

All I can do again is to sound a warning to the public that it is unsafe to travel on Century Airway planes until the company is willing to establish order and until experienced, competent pilots are put back to pilot these planes. [Applause.]

Mr. MEAD. Mr. Chairman, I ask for the reading of the bill.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That section 287 of title 39 of the United States Code, Supplement V, be amended to read as follows:

"The rate of postage on publications entered as second-class matter, when sent by others than the publisher or news agent, shall be 1 cent for each 2 ounces or fraction thereof, except when the postage at the rates prescribed for fourth-class matter is lower, in which case the latter rates shall apply: *Provided*, That these rates shall also apply to sample copies of publications entered as second-class matter mailed in excess of the quantity entitled by law to be sent at the pound rates, and to copies mailed by publishers to other than subscribers or to persons who are not properly includable in the legitimate list of subscribers required by law."

With the following committee amendments:

That the second paragraph of section 5 of the act entitled "An act to amend Title II of an act approved February 28, 1925 (43 Stat. 1066, U. S. C., title 39), regulating postal rates, and for other purposes," approved May 29, 1928 (45 Stat. 941, U. S. C., Supp. V, title 39, sec. 287), be amended to read, as follows: Page 1, at the beginning of line 5, insert "Sec. 203."

Amend the title of the bill so as to read:

"An act to amend Title II of an act approved February 28, 1925 (43 Stat. 1066, U. S. C., title 39), regulating postal rates, and for other purposes."

Mr. STAFFORD. Mr. Chairman, I must confess that I did not have the bill on my list, otherwise I would have been better prepared to discuss its provisions. The gentleman from Pennsylvania says that the rate of postage will be higher on this additional quantum that would be privileged to be sent by publishers in excess of the 10 per cent limit.

Since I had the floor a moment ago, I have looked at the report and notice that the only change in existing law is that which is embodied in the bill, on page 2, fourth line, after the word "thereof," "except when the postage at the rates prescribed for fourth-class matter is lower, in which case the latter rates shall apply."

Then there is this proviso, which is new law:

*Provided*, That these rates shall also apply to sample copies of publications entered as second-class matter mailed in excess of the quantity entitled by law to be sent at the pound rates.

What rates—the existing rates now applicable to second-class matter of 1 cent for 2 ounces or fraction thereof?

Mr. KELLY of Pennsylvania. The parcel-post rate, which is a zone rate, 7 cents for the first zone, and up.

Mr. STAFFORD. Does the gentleman believe that by the added burden of this second-class mail to the post office, even though additional revenue will come into the postal funds, it would still make a real saving and that the cost of the service would not be greater than the rates herein prescribed?

Mr. KELLY of Pennsylvania. Mr. Chairman, the gentleman from Wisconsin [Mr. STAFFORD] is mistaken about this bill. At the present time a publisher sends out any amount of second-class mail matter over the 10 per cent allowance

and pays the regular third-class rate, which is high enough to cover the expense. We have in this case established the parcel-post rates as applying. There is no opening of the gates. The difference between expense and income will show \$500,000 clear gain, according to the department.

Mr. STAFFORD. I hope the gentleman is correct, but I have serious doubts about it. I withdraw the pro forma amendment.

Mr. MEAD. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the amendment, with the recommendation that the amendment be agreed to and the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and Mr. BANKHEAD having assumed the chair as Speaker pro tempore, Mr. GLOVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 8818 and had directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and the bill as amended do pass.

The SPEAKER pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read:

A bill to amend the second paragraph of section 5 of the act entitled "An act to amend Title II of an act approved February 28, 1925 (43 Stat. 1066; U. S. C., title 39), regulating postal rates, and for other purposes."

A motion to reconsider the vote by which the bill was passed was laid on the table.

#### MONEY-ORDER FEES

Mr. MEAD. Mr. Speaker, I call up the bill H. R. 10246, to fix the fees to be charged for the issuance of domestic money orders, which I send to the desk and ask to have read.

The SPEAKER pro tempore. The gentleman from New York calls up the bill H. R. 10246, which the Clerk will report by title.

The Clerk read the title of the bill.

The SPEAKER pro tempore. This bill is on the Union Calendar. The House will automatically resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10246, and the gentleman from Arkansas [Mr. GLOVER] will please take the chair.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10246, with Mr. GLOVER in the chair.

The Clerk read the title of the bill.

Mr. MEAD. Mr. Chairman, I ask unanimous consent to dispense with the first reading of the bill.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MEAD. Mr. Chairman, this is a bill to fix fees to be charged for the issuing of domestic money orders. It was recommended to us by the Postmaster General. In his recommendation he sought to have authority to fix the rates left with the Post Office Department. The committee, however, decided to fix a schedule of rates, and they are contained in the bill. It is estimated that this bill, which increases the first two rates, will augment the revenues of the department by \$1,250,000. The bill comes before us with the unanimous report of the committee.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. STAFFORD. When the hearing was had on this bill, did the postal authorities make any suggestion that the rates on the larger amounts for which money orders are authorized to be issued should be increased, or did the postal authorities request the privilege of authorizing the issuance of money orders in excess of \$100, which is the limit at the present time?

Mr. MEAD. The recommendation of the department was given in the annual report. The department did not appear on this bill before our committee. We asked the department to suggest a schedule of rates and explained that we did not see fit to report out a bill giving authority to the Postmaster General to fix the rates. Then the committee took that matter up in executive session and reported out this bill.

Mr. KELLY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. KELLY of Pennsylvania. In further answer, the highest amount set on money orders has been \$100, and in a later bill the gentleman will find that we have taken care of the increased amount sent through the mail under registered mail, and provide a new bracket on that.

Mr. STAFFORD. This is not embodied in the bill under consideration.

Mr. KELLY of Pennsylvania. No.

Mr. STAFFORD. And you are seeking to raise this additional million and a quarter dollars by raising the rates on money orders below \$5?

Mr. KELLY of Pennsylvania. Below \$5; and 63 per cent of all money orders now being sent are less than \$5. The loss runs into millions on those smaller money orders. We put 1 cent on those two brackets up to the \$5 money order.

Mr. STAFFORD. Did the committee give any consideration to the thought of increasing the charge for money orders in amounts ranging from \$40 to \$60, from \$60 to \$80, and from \$80 to \$100?

Mr. KELLY of Pennsylvania. The committee did, but the difficulty about that is that we run into some commercial companies who send money under insurance, and we found out the best we could do was to deal with those small money orders, where the loss in 1931 was \$11,000,000. We endeavored to go on those lower money orders as high as we could.

Mr. STAFFORD. The gentleman states the loss of operation of the money-order service of the Post Office Department is \$11,000,000.

Mr. KELLY of Pennsylvania. Yes.

Mr. STAFFORD. Does the gentleman mean to connote that such loss is due to the fees being under the cost rate, or that loss was also incurred due to the loss of money orders?

Mr. KELLY of Pennsylvania. The entire receipts are about \$16,000,000, while all the expenses amount to \$27,000,000, showing a discrepancy of about \$11,000,000. However, we are in competition with certain commercial companies on this business.

Mr. STAFFORD. Has the gentleman's committee given any consideration to the comparative rates charged for the dispatch of money by express companies?

Mr. KELLY of Pennsylvania. We are dealing with that in the registration bill.

Mr. STAFFORD. I think if there is such a tremendous loss as \$11,000,000 in the operation of the money-order service, and the bill only provides for an increased revenue of \$1,250,000 to make up that deficit, and that \$1,250,000 is to be derived from money orders under \$5, that the committee might well have considered increasing the rates on the money orders above the \$5 limit.

All that is done in this bill is to increase the rate by 1 cent on money orders below \$5, yet it is not increased above \$5. Why would it not be advisable, if we are going to receive \$1,250,000 from all these money orders under \$5, to increase the rate on the money orders from \$5 to \$10, now 10 cents, 1 or 2 cents? It would be impossible to get a check or any kind of medium of exchange from an express company for \$10 at a fee of 10 cents. If the loss is so tremendous, as the gentleman says, why would it not be advisable to increase the present 10-cent rate 2 cents? For instance, on money orders from \$20 to \$40, for which the rate is 15 cents, why not increase it 1 cent? Will we be doing any serious havoc to the operation of the Postal Service by increasing those rates nominally?

Mr. KELLY of Pennsylvania. The loss is largely in the money orders under \$5. The real answer to the gentleman's question is under consideration by the Committee on the Post Office and Post Roads, and that is the substitution for these smaller money orders of postal notes, which at one time were in use in the Post Office Department, but were discontinued, where there would be no accounting, where the money would go through the mail and be cashed at face value. That would remove a great deal of the loss on these money orders under \$5.

Mr. NELSON of Missouri. Will the gentleman yield?

Mr. KELLY of Pennsylvania. I yield.

Mr. NELSON of Missouri. The object, as I understand, is to raise more revenue?

Mr. KELLY of Pennsylvania. And to avoid losses.

Mr. NELSON of Missouri. Perhaps this question is not germane, but I wish my colleague would tell me whether or not the Government makes a profit from the printing of stamped envelopes?

Mr. KELLY of Pennsylvania. They report to us that they do make a profit over all costs. However, that question is under consideration.

Mr. NELSON of Missouri. Are those envelopes printed by the Government or printed by private contract?

Mr. KELLY of Pennsylvania. Under contract, four years at a time.

Mr. NELSON of Missouri. When does that contract expire?

Mr. KELLY of Pennsylvania. I think it expires this year.

Mr. MEAD. Yes; I believe it expires this year—1932.

Mr. NELSON of Missouri. I want to say that I hope we may take steps to take the Government out of competition with private business in the printing of stamped envelopes.

Mr. HOGG of Indiana. Will the gentleman yield?

Mr. KELLY of Pennsylvania. I yield.

Mr. HOGG of Indiana. I have introduced a bill to that effect, and it is scheduled for hearing in the near future.

Mr. NELSON of Missouri. I was aware of that, and I pledge my entire support to the gentleman's bill.

Mr. STAFFORD. That subject has been under consideration for many years, and is still dangling in the air without getting anywhere. That has been in force for 30 or 40 years. In the sales of these embossed envelopes in large quantities, where they do not take up the additional postage rate, the postmaster gets the fee as an additional increment to his salary, or is it now, under the regulations, turned over to the postal revenues?

Mr. MEAD. As I understand, it goes in with the revenues of the local post office as apply to stamps.

Mr. STAFFORD. In years back that little increment of profit went to the postmaster. I did not know whether any recent postal regulation had provided for it to go to postal revenues or not. For instance, the postmaster buys twenty-five 2-cent embossed envelopes for 56 or 59 cents. If he sells each one at 3 cents, he has a gain of 16 cents on the 25 sold. In years gone by that went to the postmaster. In that event the Government does not make any profit from the sale of embossed envelopes.

Now, I wish to direct the gentleman's attention to the bill under consideration. I am rather impressed with the idea that we should increase these rates above the \$5 money order. We would not do any violence by such action, because there is no competitive agency that can meet that condition. Under existing law, we charge 10 cents for money orders from \$5 to \$10. Now, we have a large deficit here. What harm would be done by increasing that, as was done in the other, by 1 cent or even 2 cents? Let us make some gesture toward getting revenue. It does not require any hearing.

Mr. MEAD. I may say that the committee considered the entire rate structure as applying to money orders and found that the losses sustained were mainly attributed to these two classes, and these two classes were increased 1 cent each. That will increase the revenues \$1,250,000. We

found it is just about as expensive, as far as the Post Office Department is concerned, to handle a small money order as it is to handle a large money order. We are making some revenue on the larger money orders and we are losing considerable on the lesser ones, so without doing violence to the entire structure, we thought this bill would be acceptable. I concede that the gentleman is making a very good point; the committee may later consider his suggestion and perhaps revise the entire rate structure. But for the present I hope the gentleman will permit us to consider this bill.

Mr. STAFFORD. But here is the practical situation, as admitted by the gentleman from Pennsylvania [Mr. KELLY]: In the operation of the money-order service there is a deficit of \$11,000,000. The chairman of the committee says that most of that loss arises from the issuance of money orders under \$5. The committee raises the rate on those money orders 1 cent. If the rate in each of the next brackets were raised 1 cent, about how much would that make?

An additional quarter of a million dollars, and there is still dangling in the air a deficit of \$10,000,000, and no attempt is being made to meet that deficit. The gentleman says eventually—but why not now? Why not now increase those rates? I do not mean to increase the 5-cent rate. But I mean to go into the next two brackets, from \$5 to \$10 and from \$10 to \$20. Why not increase those rates 1 cent? If I were on the committee I would move to increase the 10-cent rate to 12 cents, and not only a 1-cent increase. If we did that, I do not believe it would mean much to those who buy money orders in the denominations of \$10, \$15, and \$20, and I believe they are the ones which are mostly used.

I do not want to project my thought on this committee unless it meets with favor, but I think that is a conservative suggestion which the committee could well accept.

There is no private agency anywhere through which you can send a money order for less than 15 cents, probably not for less than 25 cents.

I appeal to the gentleman. I am for economy, and I am only making this suggestion as to those two brackets, increasing the proposed rate from 10 cents to 11 cents and from 12 cents to 13 cents. If that were done the committee could not be charged with having increased the smaller rates, mostly paid by poor people who use money orders amounting to \$5 or below. I can not see any objection to it, and I really think it is a businesslike, practical suggestion. If I offer such an amendment I would like to have the approval of the committee. I do not want to do anything violently objectionable to the committee. My suggestion is to increase the rate for the issuance of money orders amounting to \$5 to \$10 from 10 cents to 11 cents, and on the \$10 to \$20 money orders from 12 cents to 13 cents.

Mr. KELLY of Pennsylvania. I hope the gentleman will not press that amendment, because we have been faced with the situation that money is being sent now by private companies at about what this rate will be.

Mr. STAFFORD. What private company sends the money order amounting to \$10 for 10 cents?

Mr. KELLY of Pennsylvania. There are travelers' checks and money orders of one kind and another.

Mr. STAFFORD. Not in denominations of \$10. As I had about won the support of the chairman of the committee, then I find the opposite effect on this side.

Mr. KELLY of Pennsylvania. It will change the structure.

Mr. STAFFORD. It will not change the structure. I am carrying out the theory because I am leaving the next rate from \$20 to \$40 at 15 cents, but from \$10 to \$20 it will be 13 cents. Therefore I am carrying out the very principle the committee is suggesting. Because I have suggested this on the floor I hope the gentleman is not going to kick it to the rear.

Mr. UNDERHILL. Will the gentleman yield to me so that I may ask some questions?

Mr. MEAD. Yes; I yield.

Mr. UNDERHILL. Has the committee in contemplation raises on other lines of business which the Post Office Department is carrying on, increasing the revenue to some

degree in order to meet the deficit incurred in carrying on these lines of business?

Mr. MEAD. I will say to the gentleman that we have a number of bills on our calendar to-day, and we estimate the total increased revenues will be \$15,770,000 providing the bills are enacted into law.

Mr. UNDERHILL. Would it be unethical or any betrayal of confidence if the chairman of the committee stated what influences, if any, are brought to bear upon the committee in inducing it to accept the rate for the carrying on of these ordinary business transactions which is below the cost to the Government of carrying on such transactions?

I do not say the Government should make a profit, but I do feel that if it is going into competition with people who handle a similar line of business, the least the committee could do would be to make both ends meet. As the gentleman from Wisconsin said, the mere increase of 1 cent does not begin to wipe out the deficit, so why not increase it enough to wipe out the deficit, or nearly so, and see what the effect will be? Heretofore the policy of the Post Office Department has been, when they found a deficit in any one of these activities, to immediately increase the volume of business and make for a bigger deficit. That is what they did as to parcel post, money orders, and insurance. It is a ridiculous proposition for Congress to allow the Post Office Department to go into the insurance business and lose from \$5,000,000 to \$10,000,000 on that business, and at the same time the people it is supposed to benefit really have to pay the bill. In reality they do not benefit. Most of this benefit goes to the department stores, the mail-order houses, and those who really ought to meet the cost of transportation, of insurance, and of the banking business. They ought to meet it and not pay it out to their stockholders in dividends, when they create it out of the taxpayers of the country.

I hope the committee will accept the suggestion of the gentleman from Wisconsin and let us see what we can do along this line, because I think it would be a mighty good step in the right direction.

Mr. MEAD. I will say to the gentleman that the committee has been very diligent in holding meetings and hearings on bills applying to the rates of postage; but, in view of the fact that our Calendar Wednesday approached so rapidly, it was impossible for us to get any more bills upon the calendar than we now have here. We are considering other bills that coincide with the ideas expressed by the gentleman, and the committee is trying to place the Post Office Department on a better financial basis.

During the last two or three years the revenues of the department, as a result of the depression, have decreased approximately twenty-five or thirty million dollars a year; that is, considering the expected normal annual increase as against the recent decrease. Had the normal increase in volume continued, we would have eliminated most of the deficit by this time.

Mr. UNDERHILL. The gentleman may answer this question or not, as he wants, and I shall consider it no discourtesy whatever if the gentleman declines to answer; or if it is unethical, the gentleman need not answer. Is the Post Office Department itself or its representatives responsible, largely, for this inactivity on the part of Congress, or do they oppose such businesslike methods as will bring the department under a business administration and put it on a business foundation? Does the gentleman find that he has difficulty in the committee in dealing with the Post Office Department itself?

Mr. MEAD. I will say to the gentleman, considering the many activities of the Postal Service, we might be in agreement on one particular matter and in disagreement on another. We have our conflicts, just like any other committee. The department makes its recommendation to the committee and to the Congress in its annual report, and we have taken from their annual report such suggestions as would carry out the thought underlying the gentleman's argument. We have written those suggestions into bills, and we have brought them in here with the idea of raising the revenue

and decreasing the deficit and placing the department on a better business basis.

Mr. UNDERHILL. I compliment the committee for what it has done, and I am trying to be helpful, if it is possible for one outside of the committee to be helpful; but the policy of the department has been that when they lose \$5,000,000 on express and freight business designated as parcels post, they raise the limit from 5 pounds to 10 pounds, and then when they have \$10,000,000 deficit, they raise it to 50 pounds, and then when they get a \$20,000,000 or a \$25,000,000 deficit they raise it to 70 pounds, and still increase the deficit all the time. I do not know whether the Committee on the Post Office has the power to say to the head of the Post Office Department, "Thus far shall thou go and no further. If you are going to increase this deficit and continue to do so by increasing the business you carry at a loss, we are going to stop you" or not.

Then there is one further thing, and I suppose this is a very embarrassing situation, but I want to emphasize it more than I did the other day on the floor of the House. Congress is constantly criticized as being unfair and unjust to the taxpayer through the use of the franking privilege, which costs about \$550,000 a year. This is about the cost to the Post Office Department, and yet Congress through the Post Office Department accords to the newspapers and the periodicals and the magazines franking privilege to the extent of \$96,000,000, and the very newspapers that are criticizing Congress are the beneficiaries of such liberality.

Mr. HASTINGS. If the gentleman will permit an interruption, I have read the Postmaster General's report for the past year, and the Postmaster General, as I understand from his report and from his interviews and releases, favors increasing the rate of postage on first-class mail matter.

Mr. UNDERHILL. On which the department makes 500 per cent.

Mr. HASTINGS. I am pleased to note that the gentleman is in favor of increasing the rate only on the mail matter that creates the deficit.

Mr. UNDERHILL. Absolutely.

Mr. HASTINGS. And, of course, the gentleman from Massachusetts knows that there is no deficit in the first-class mail, and therefore that rate on that class of mail ought not to be increased or raised.

Mr. UNDERHILL. Oh, I will say to the gentleman from Oklahoma that if any private concern or any corporation or any individual had the power and made a profit on a necessity, such as the carrying of the mail, of 500 per cent on first-class business, this Congress would get up on its hind legs and raise Cain and would not allow it to continue; and yet the only way the Postmaster General says we can wipe out this deficit is to increase the rate on first-class mail and make a profit of 700, 800, or 1,000 per cent. Now, this is not right.

Mr. HASTINGS. I am pleased to know that the gentleman from Massachusetts agrees with me and others that the rate on first-class mail should not be increased.

Mr. UNDERHILL. In other words, first-class mail is a necessity. It is a necessity to the people of this country, but we have other mediums of transportation. We have express companies, we have banks, we have insurance companies that can carry on these various lines of business that create such a tremendous deficit, and we ought to restrict our business along that line or else put the cost at a price which would wipe out the deficit.

Mr. HASTINGS. If the gentleman will permit, I heartily agree with him, and I think a careful study by the Postmaster General should be made of every class of mail and the cost of each class ascertained, and, so far as we can by legislation, Congress should make every class pay its fair proportional part of the expenses.

Mr. UNDERHILL. Can the gentleman, can anybody tell me, and I issue a challenge to everyone here to tell me, why the country newspapers should be carried free? We are spending something over \$8,000,000 to frank country newspapers. Why should we spend that amount of money to carry the Saturday Evening Post and the Ladies' Home Jour-

nal and such other publications that carry a tremendous amount of advertising, for which they get anywhere from \$500 to \$1,500 a page?

Mr. HASTINGS. The gentleman is touching a very tender spot.

Mr. UNDERHILL. I am not afraid of that tender spot.

Mr. HASTINGS. I recollect that some years ago Claude Kitchin made a gallant fight, attempting to make those large publications pay the expense of transportation through the mails, but my recollection is that he was unsuccessful.

Mr. STAFFORD. I beg the gentleman's pardon, he was successful.

Mr. UNDERHILL. They say that the racketeers have got us by the throat, and here are the leaders of education, who are playing a good racket on the Government and on the people of the United States, a greater racket than any kidnapers or others engaged in the practice of racketeering.

It is costing hundreds of millions of dollars, and it ought to be stopped. They got it simply because they had the power to reach out and say to the people, "You can not get this magazine or this paper for 5 or 20 cents if Congress is going to add to the postage rate. If they do, we have got to charge it back to you." And then the Members of Congress are flooded with propaganda telling us that we must not increase the cost of magazines.

Mr. HASTINGS. The gentleman from Wisconsin corrects me and says that Mr. Kitchin was successful in raising the rate a few years ago. I was under the impression that he was not successful.

Mr. STAFFORD. Let me say that a subsequent Congress, however, lowered these high rates which Claude Kitchin advocated and succeeded in putting into the law.

Mr. HOGG of Indiana. Will the gentleman yield?

Mr. MEAD. I yield to the gentleman five minutes.

Mr. HOGG of Indiana. Mr. Chairman, we are getting far afield from the amendment suggested by the gentleman from Wisconsin. Let me clear up one or two matters which he has raised. The gentleman from Massachusetts seems to think that we can make a hard-and-fast rule for postal charges as easy to solve as the multiplication table. Fixing rates is not as simple a matter as that. A few years ago it was called to the attention of Congress that the rates on postal cards of 1 cent should be increased, and it was figured that by an increase from 1 cent to 2 cents \$20,000,000 would be derived, or an increase of \$10,000,000. Congress increased the rate from 1 cent to 2 cents on postal cards, and the result was that during the following year there was a falling off in the postal-card receipts of \$6,000,000. Now, let us go back to the proposition of the gentleman from Wisconsin.

Mr. UNDERHILL. How can the gentleman say that there was a loss of that amount? By saying 2 cents I would rather write a letter and put it in a sealed envelope than send it on a post card.

Mr. HOGG of Indiana. All of us would; but Congress passed the law believing the public would look at it in a different way. There are many leaks in post-office receipts. I say to my friend from Massachusetts [Mr. UNDERHILL] that his figures are altogether too large as to what the department loses on the transmission of second-class mail. I shall not take the time now to go into that proposition in detail.

Mr. UNDERHILL. I took my figures of ninety-six and a half million dollars from the Record, which figures, in turn, were submitted by the gentleman from Illinois [Mr. ARNOLD], who got them from the Post Office Department.

Mr. HOGG of Indiana. In regard to another matter, before returning to the item under discussion, I do not know of any reason, and I do not know of anyone who can give a reason, why the Government ought to indulge in printing returns on envelopes, whether it does it itself or farms out the contract, any more than the Government should indulge in selling shoes or sugar to the people of the United States.

If we arbitrarily increase this postal money-order rate to a point where it will not be patronized by the public, then

we will have deprived ourselves of the very object we are seeking to accomplish. We ought to go slow in increasing rates, that we may not call into use the potential competition in this matter which exists on every hand.

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. HOGG of Indiana. I yield.

Mr. HARLAN. Has the gentleman the figures as to whether or not the Government receives any money in the printing of returns on envelopes?

Mr. HOGG of Indiana. The Government does not spend any money direct, but it carries the printed envelopes from Dayton, Ohio, to California, Maine, and Alaska free. The Government lets a contract to the detriment of printers in every town and city in the Nation except one printing plant in Dayton, Ohio.

Mr. HARLAN. It is paid for by the people who get the envelopes, is it not?

Mr. HOGG of Indiana. Theoretically only.

Mr. HARLAN. How can you pay for anything theoretically? It is paid for, and it renders a profit, does it not—

Mr. HOGG of Indiana. It does not.

Mr. HARLAN. To the firm that does the printing; and is it not a fact that this is not done by the Government but it is done by a private concern under contract?

Mr. HOGG of Indiana. It is done under contract.

Mr. HARLAN. Why did the gentleman make the remark that the Government should not be in the printing business?

Mr. HOGG of Indiana. There are good printers out of work in every town in the United States. The Government should not be in the printing business in competition with printers throughout the country. There are 57 other varieties of business in which the Government ought not compete.

Mr. UNDERHILL. How does the gentleman draw the distinction between the printing business and the insurance business and the transportation business and the express business and the banking business?

Mr. HOGG of Indiana. Congress would indeed render a needed service if it would divorce government from competitive business. The function of government is to govern and not to indulge in competitive business with its citizens.

Mr. KELLY of Pennsylvania. As to the question asked by the gentleman from Massachusetts [Mr. UNDERHILL], since no one seemed to answer concerning the weekly newspapers, which are given the free privileges, I will say that that privilege was granted in 1851 by the Congress to help the small papers in the country districts. To-day it applies only to those offices where there is no delivery service, so that it does not cover every place. It does cost about \$8,000,000, due to the policy of Congress. In regard to the Saturday Evening Post, which with other large magazines is always under fire, it is admitted by the Post Office Department, after long study, that any publication that weighs 8 ounces or more pays its full cost of handling and that the loss on second-class matter is entirely due to those smaller publications that go through the mail in vast quantities, each requiring handling and delivery service.

Mr. MEAD. Mr. Chairman, I now yield five minutes to the gentleman from Oklahoma [Mr. McCLINTIC], and then I shall be obliged to ask the House to refrain from these extraneous discussions in order that we may get on with our calendar.

Mr. McCLINTIC of Oklahoma. Mr. Chairman, much has been said about the cost of the circulation of the small country newspaper. I distinctly recall that the small newspapers take quite an active interest in matters relating to their own little home surroundings, to the extent that they use very large amounts of space for which they receive no pay. I have also noticed that they likewise publish articles about Members of Congress, and we who are Members of Congress are always pleased when they print something complimentary that relates to our service. In my time I want to read a short statement from a county newspaper in my district.

Mr. UNDERHILL. Mr. Chairman, I do not object to the gentleman reading this article, if he will agree to leave out

the advertising feature in connection with it and not name the source of his article.

Mr. McCLINTIC of Oklahoma. Mr. Chairman, I do not yield.

Mr. UNDERHILL. I rise to a point of order. I have a perfect right to object to the gentleman reading into the Record any matter which he attempts to read. I do not object to his reading this matter into the Record, but I do object to using the Record as an advertising medium for either country or city newspapers or any other printed article. Unless the gentleman will agree to eliminate the name of the paper from which he quotes, I shall have to object.

The CHAIRMAN. The gentleman will proceed in order.

Mr. McCLINTIC of Oklahoma. Mr. Chairman, the distinguished gentleman from Massachusetts has sought to take me off my feet because I had in mind making some complimentary statements about a country newspaper that is published in the district which I have the honor to represent. I likewise desire to give credit to the editor of this paper, because this statement was published in his paper without my notice, and inasmuch as it referred more to my service rather than to myself as an individual, I thought it would be beneficial to put it into the Record. But in view of the attitude of the gentleman from Massachusetts, in view of the fact that he feels that this country newspaper should not receive any recognition by name, under the circumstances I will yield to the gentleman's desires.

Mr. UNDERHILL. Will the gentleman yield?

Mr. McCLINTIC of Oklahoma. I yield.

Mr. UNDERHILL. The gentleman knows that everyone of us is impressed with the value of the gentleman's services, none more than I. It does not need the indorsement of a country newspaper to tell Members of Congress how valuable the gentleman is to the Nation.

Mr. McCLINTIC of Oklahoma. This statement did not refer to me so much personally as it did to the character of service a person is capable of rendering who has had the same length of service as myself.

Mr. OLIVER of New York. Will the gentleman yield?

Mr. McCLINTIC of Oklahoma. I yield.

Mr. OLIVER of New York. What is the name of this country newspaper?

Mr. McCLINTIC of Oklahoma. The paper is the Beckham County Democrat, published at Erick, Okla.

Mr. OLIVER of New York. And who is the editor?

Mr. McCLINTIC of Oklahoma. A distinguished gentleman by the name of J. B. Miller.

Mr. OLIVER of New York. And he agrees with all the rest of us, that the gentleman's service in the House of Representatives has been excellent? I would be glad to hear the remarks which the gentleman had to make.

Mr. McCLINTIC of Oklahoma. He made a very nice statement in this connection, which was to the effect that only a few understood congressional rules and regulations, and that a Senator or Congressman can better benefit his district after he has had a long service, because this allows him to be placed on important committees, and such assignments enable the Senator or Representative to have a voice in taking care of many public questions of importance. He was also nice enough to call attention to the fact that I am the ranking member of an important committee, and that other districts that have retained their Members in Congress for long periods were the ones that profited the most, concluding with a statement which, in substance, is that a district that changes its Representative after he has reached a high place loses not only prestige but all that has been gained by long service. This article was not personal, because it contained a statement that he had no personal interest in the candidacy of any man, and that he did not owe me anything but respect for that which had been achieved. Therefore, I think it would have been beneficial for the entire House to have read this article; but in view of the fact that the gentleman from Massachusetts does not think this ought to go into the Record, I am hoping that this will answer the questions asked by the gentleman from New York.

Mr. HOGG of Indiana. Will the gentleman yield?

Mr. McCLINTIC of Oklahoma. I yield.

Mr. HOGG of Indiana. I wish to call the attention of the House to the fact there are 32,000 free issues of the CONGRESSIONAL RECORD. There are only 700 people in the United States who pay for the RECORD, and I think something in it occasionally about country newspapers would be valuable.

Mr. McCLINTIC of Oklahoma. I have always taken the position that the country newspaper is entitled to a great deal of consideration, and especially do I agree with the gentleman with respect to his viewpoint on contracts for stamped envelopes.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. MEAD. Mr. Chairman, I ask that the Clerk read the bill.

The Clerk read the bill, as follows:

*Be it enacted, etc., That section 3 of the act entitled "An act to modify the postal money-order system, and for other purposes," approved March 3, 1883, as amended (U. S. C., title 39, sec. 716), is amended to read as follows:*

"Sec. 3. A money order shall not be issued for more than \$100, and the fees for domestic money orders shall be as follows:

"For orders—

"From \$0.01 to \$2.50, 6 cents;

"From \$2.51 to \$5, 8 cents;

"From \$5.01 to \$10, 10 cents;

"From \$10.01 to \$20, 12 cents;

"From \$20.01 to \$40, 15 cents;

"From \$40.01 to \$60, 18 cents;

"From \$60.01 to \$80, 20 cents; and

"From \$80.01 to \$100, 22 cents."

Mr. STAFFORD. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. STAFFORD: Page 2, line 2, strike out the numeral "10" before the word "cents," and insert "11"; in line 3, strike out the numeral "12" before the word "cents" and insert "13."

Mr. MEAD. Mr. Chairman, I accept the amendment and ask its adoption.

The amendment was agreed to.

Mr. MEAD. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GLOVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 10246) to fix the fees to be charged for the issue of domestic money orders, and had directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and the bill as amended do pass.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the bill was passed.

On motion by Mr. MEAD, a motion to reconsider the vote by which the bill was passed was laid on the table.

#### FEE FOR DOMESTIC INSURED AND COLLECT-ON-DELIVERY MAIL OF THIRD AND FOURTH CLASSES

Mr. MEAD. Mr. Speaker, I call up the bill (H. R. 10247) prescribing fees and corresponding indemnities for domestic insured and collect-on-delivery mail of the third and fourth classes, and for other purposes.

The SPEAKER. The gentleman from New York calls up a bill, which the Clerk will report.

The Clerk read the title of the bill.

The SPEAKER. This bill is on the Union Calendar, and the House automatically resolves itself into the Committee of the Whole House on the state of the Union.

Accordingly the House automatically resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10247, with Mr. GLOVER in the chair.

The Clerk read the title of the bill.

Mr. MEAD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MEAD. Mr. Chairman, this bill prescribes certain fees and indemnities for domestic insured and collect-on-delivery mail of the third and fourth classes. It is recommended by the Postmaster General in his annual report. It was considered and unanimously recommended by your Committee on the Post Office and Post Roads. We are advised that the additional revenues to be produced as a result of this legislation will amount to \$2,500,000.

The bill increases the fees for insurance from 8 cents to 10 cents for indemnification not to exceed \$25. It increases from 10 cents to 15 cents the charge for indemnification not to exceed \$50. It also adds some new rates, and provides for additional services.

The fee for collect-on-delivery service, which is now 12 cents for collections not to exceed \$10, will be changed to read "the fee for collect-on-delivery service for domestic third and fourth class mail shall be 12 cents for collections and indemnity not to exceed \$10," and for several other new rates not contained in the present law.

The new rates can be found on the last page of the report. They are 17 cents for collections and indemnity not to exceed \$25; 22 cents for collections and indemnity not to exceed \$50; 32 cents for collections and indemnity not to exceed \$100; 40 cents for collections and indemnity not to exceed \$150; and 45 cents for collections and indemnities not to exceed \$200.

This bill is an effort to make up for some of the losses sustained in this service. As I said before, it has been recommended both by the department and the committee.

Mr. STAFFORD. Will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. STAFFORD. Has the gentleman any estimate as to the amount of revenue that will be derived from these two respective services by increasing the rate, one for indemnification and the other for collect on delivery?

Mr. MEAD. I have not a copy of the cost-asertainment report here.

Mr. KELLY of Pennsylvania. It is estimated that this bill will raise \$2,500,000.

Mr. STAFFORD. I want to know if the gentleman has any estimate of the segregated services. You increase the rate on indemnifications in the lower amounts from 8 cents to 10 cents and from 10 cents to 15 cents, but you increase them materially on the collect-on-delivery mail. Can the gentleman give us any figures as to the additional revenues resulting from these respective services?

Mr. KELLY of Pennsylvania. Yes. Those changes on insured mail will bring in additional revenues of \$1,455,000. The changes in collect-on-delivery mail will bring in \$1,045,000.

Mr. STAFFORD. I assume the gentleman has figures as to the amount of money the service is losing in the operation of these two respective services. If the gentleman has those figures, I would like to have them.

Mr. KELLY of Pennsylvania. I have those figures, because I thought they would be interesting to the committee. The insurance mailings last year brought in \$7,613,000, and the expenditures in connection with it were \$10,655,000, leaving a deficit or discrepancy of \$3,041,000. That is on the insured mail. On the collect-on-delivery mail the deficiency in the cost, according to the cost ascertainment, was \$5,000,000. So, as to the two services there was a loss in 1931 of some \$8,000,000.

Mr. STAFFORD. Then the collect-on-delivery mail had a net loss of \$5,000,000?

Mr. KELLY of Pennsylvania. Five million three hundred and twenty-one thousand dollars.

Mr. STAFFORD. Then there will still be a deficit notwithstanding the increased rates which the committee proposes.

Mr. KELLY of Pennsylvania. There will still be a deficit; and we are trying to get that deficit cut down as much as possible without at the same time injuring the service and destroying it to the public.

Mr. STAFFORD. What comparable service in private business comes in conflict with the collect-on-delivery service?

Mr. KELLY of Pennsylvania. There are private insurance companies that will take mail and insure it at small fees.

Mr. STAFFORD. The express companies do that to a large extent in connection with the collect-on-delivery mail?

Mr. KELLY of Pennsylvania. Yes.

Mr. STAFFORD. Has the gentleman any information, from his long and close study of the operations of the Postal Service, as to whether the large department stores utilize the parcel-post service, or do they utilize the express companies for collect-on-delivery service?

Mr. KELLY of Pennsylvania. They are patronizing the parcel post and third-class mail very largely. I think they prefer it wherever they can get the service, but in some cases they can not get insurance beyond a certain amount.

Mr. TILSON. Is it correct that the Post Office Department, without additional legislation, can change the rates on parcel-post matter?

Mr. KELLY of Pennsylvania. They can not do anything without the Interstate Commerce Commission. Under the law as it stands at present the Postmaster General can go to the Interstate Commerce Commission, present his case, and the Interstate Commerce Commission can then increase or decrease rates.

Mr. TILSON. Is it not a fact that the Government loses on its parcel-post service as a whole?

Mr. KELLY of Pennsylvania. Well, the cost ascertainment for 1931 indicates a loss of \$21,000,000 on fourth-class mail. However, there is considerable question as to the apportionment of the cost; that is, as to whether it can be as high as that. The Postmaster General desires to raise \$12,000,000 through increased rates by the Interstate Commerce Commission.

Mr. TILSON. Does not the gentleman think when the Government delivers a package at a residence miles away from the post office, after having carried it for more miles on the train, that it is losing money?

Mr. KELLY of Pennsylvania. Well, I will say to the gentleman the provision of the law is that where the rates are losing money and where it is preventing the shipment of articles desirable to be shipped, the Postmaster General is permitted to go to the Interstate Commerce Commission and get higher rates. All that it is necessary to prove is that we are losing money and then the mandatory provision of the law comes into effect.

Mr. TILSON. Many parcel-post packages are delivered for 10 or 15 cents some distance from the post office, and it seems to me that the Government must certainly lose money in delivering these packages miles away from the post office, especially when there may be but few packages in a large, heavy truck.

Mr. KELLY of Pennsylvania. I agree with the gentleman. The cost ascertainment shows a great loss on packages in the first, second, and third zones, but a profit on the zones farther away.

Mr. TILSON. Are not the rates rather low in the first and second zones?

Mr. KELLY of Pennsylvania. Yes.

Mr. STAFFORD. When the service was first established the rate in the first zone for the delivery of a 1-pound package, as I recall, was 5 cents?

Mr. KELLY of Pennsylvania. Yes.

Mr. STAFFORD. At that time it was absolutely impossible for my imagination, no matter how wild it would run, to conceive how the Postal Service, paying a letter carrier at that time \$1,800 per annum—

Mr. KELLY of Pennsylvania. One thousand two hundred dollars.

Mr. STAFFORD. At that time we had increased the salaries of postal employees in the first-class offices. That was away back in 1910. It was based on population and at that time we increased them from \$1,200 to \$1,800. At that time the Hon. Jesse Overstreet was chairman of the committee, and I served on that committee. That was during the period from 1903 to 1911. As I am getting along in years, I recognize that sometimes I may be mistaken, and in this particular I will yield to the keen intellect of the younger gentleman from Pennsylvania.

Mr. KELLY of Pennsylvania. I thank the gentleman.

Mr. STAFFORD. It is almost impossible of conception that the Postal Service, no matter how large the volume in the carriage of parcel post, could carry 1-pound packages at a fee of 5 cents, and that is where the loss was then, has been, and still is, and I can not understand why the Post Office Department in these many years has not sought to increase to a paying basis the rate on this class of merchandising which is availed of not by the public generally but by the storekeepers in certain localities, who use it in the distribution of their merchandise. Instead of operating delivery service themselves at a higher expense, they utilize the Postal Service for that purpose, and the Postal Service is performing this service at a much less compensatory rate than is received.

Mr. KELLY of Pennsylvania. As the gentleman knows, since 1912, when the parcel post law went into force, the only increases that have been made in rates have been made by Congress, so that the Congress of the United States has increased them. However, the Postmaster General is now asking for an increase.

Mr. STAFFORD. Yes; those increases were made, as referred to a little while ago, just following the war, under the courageous leadership of the Hon. Claude Kitchin, who was then the majority leader and chairman of the Ways and Means Committee. He had the moral stamina to increase rates on parcel post in all the zones except the lower ones.

Mr. KELLY of Pennsylvania. No; the gentleman is mistaken. There was no increase at that time in parcel post. The increase was on second-class matter and the zone system was then established.

Mr. STAFFORD. I stand corrected. It was on second-class mail matter, and instead of applying the pound rate universally throughout the country they adopted and extended the parcel-post feature of zone charges to second-class mail.

Mr. MEAD. Mr. Chairman, I ask for the reading of the bill for amendment.

The Clerk read as follows:

*Be it enacted, etc.,* That paragraph (a) of section 211 of Title II of an act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes," approved February 28, 1925 (43 Stat. 1069; U. S. C., title 39, sec. 245), as amended (U. S. C., Supp. V, title 39, sec. 245), is further amended to read as follows:

"Sec. 211. (a) The fee for insurance shall be 5 cents for indemnification not to exceed \$5; 10 cents for indemnification not to exceed \$25; 15 cents for indemnification not to exceed \$50; 25 cents for indemnification not to exceed \$100; 30 cents for indemnification not to exceed \$150; and 35 cents for indemnification not to exceed \$200. Whenever the sender of an insured article of mail matter shall so request, and upon payment of a fee of 3 cents at the time of mailing, or of 5 cents subsequent to the time of mailing, a receipt shall be obtained for such insured mail matter, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided further,* That upon payment of the additional sum of 20 cents at the time of mailing by the sender of an insured article of mail matter, a receipt shall be obtained for such insured mail matter, showing to whom, when, and the address where the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery:

*Provided further*, That no refund shall be made of fees paid for return receipts for registered or insured mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the Postal Service."

SEC. 2. That paragraph (b) of section 211 of Title II of an act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes," approved February 28, 1925 (U. S. C., title 39, sec. 246), is amended to read as follows:

"(b) The fee for collect-on-delivery service for domestic third and fourth class mail shall be 12 cents for collections and indemnity not to exceed \$5; 17 cents for collections and indemnity not to exceed \$25; 22 cents for collections and indemnity not to exceed \$50; 32 cents for collections and indemnity not to exceed \$100; 40 cents for collections and indemnity not to exceed \$150; and 45 cents for collections and indemnity not to exceed \$200."

SEC. 3. This act shall become effective April 1, 1932.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word.

I do this for the purpose of directing the attention of the Chairman and the members of the committee to the effective date that is provided in the bill. April 1 is only a few weeks ahead, and I question whether this bill will be enacted into law before that time. Would it not be better, in view of the fact that this bill may not be considered for perhaps a month or more in the other body, to have this measure go into effect July 1, 1932?

Mr. KELLY of Pennsylvania. Yes.

Mr. STAFFORD. Mr. Chairman, I offer an amendment to strike out in line 16, page 3, the word "April" and insert in lieu thereof the word "July."

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Page 3, line 16, strike out the word "April" and insert in lieu thereof the word "July."

Mr. MEAD. Mr. Chairman, I accept the amendment.

The amendment was agreed to.

Mr. MEAD. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker pro tempore [Mr. BANKHEAD] having resumed the chair, Mr. GLOVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 10247) prescribing fees and corresponding indemnities for domestic insured and collect-on-delivery mail of the third and fourth classes, and for other purposes, had directed him to report the same back with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The SPEAKER pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. MEAD, a motion to reconsider the vote by which the bill was passed was laid on the table.

#### DOMESTIC REGISTERED MAIL

Mr. MEAD. Mr. Speaker, I call up the bill (H. R. 10244) fixing the fees and limits of indemnity for domestic registered mail based upon actual value and length of haul, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. This bill is on the Union Calendar.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10244, with Mr. GLOVER in the chair.

The Clerk read the title of the bill.

Mr. MEAD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The bill is as follows:

*Be it enacted, etc.*, That section 3926 of the Revised Statutes of the United States as amended by the act of February 27, 1897 (ch. 340, 29 Stat. L. 599), providing limited indemnity for loss of registered mail matter, and by the act of March 3, 1903 (32 Stat. L. 1174), fixing such indemnity at not exceeding \$100, and that portion of the act of March 4, 1911 (36 Stat. L. 1337), making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1912, and for other purposes, and providing indemnity for the loss of third and fourth class domestic registered matter, which laws were jointly amended by section 3 of the act of May 1, 1928 (45 Stat. L. 469; U. S. C., Supp. V, title 39, sec. 381a), are hereby further amended to read as follows:

"For the greater security of valuable mail matter the Postmaster General may establish a uniform system of registration, and as a part of such system he may provide rules under which the senders or owners of any registered matter shall be indemnified for loss, rifling, or damage thereof in the mails, the indemnity to be paid out of the postal revenues, but in no case to exceed \$1,000 for any one registered piece, or the actual value thereof when that is less than \$1,000, and for which no other compensation or reimbursement to the loser has been made: *Provided*, That the Postmaster General may in his discretion provide for the payment of indemnity for the actual value of registered mail or insured mail treated as registered mail in excess of \$1,000, but not in excess of \$10,000, when such mail is not insured with any commercial insurance company or other insuring agency and may fix the fees chargeable for the risks assumed ratably at the rates fixed up to \$1,000: *Provided further*, That the Postmaster General in his discretion may cause to be underwritten or reinsured in whole or in part with any commercial insurance companies any liability or risk assumed by the Post Office Department in connection with the mailing of any particular registered article or articles."

"SEC. 2. The full value of all registered mail or insured mail treated as registered mail shall be declared by the mailer at the time of mailing unless otherwise prescribed by the Postmaster General, and any claim for indemnity in any amount involving such mail, when the full value knowingly and willfully was not stated at the time of mailing, shall be invalid. All claims for indemnity involving registered mail, or insured mail treated as registered mail, or other insured mail, or collect-on-delivery mail, which is also insured with commercial insurance companies or other insuring agencies, shall be adjusted by the Post Office Department on a pro rata basis as a coinsurer with the commercial insurance companies or other insuring agencies."

SEC. 2. Section 3927 of the Revised Statutes of the United States, as amended by section 209 of the act of February 28, 1925 (43 Stat. L. 1068), and by the first section of the act of May 1, 1928 (45 Stat. L. 469; U. S. C., Supp. V, title 39, sec. 384), be, and the same is hereby, amended further to read as follows:

"Mail matter shall be registered on the application of the party posting the same. The registry fees, which are in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by law shall be as follows:

- "For registry indemnity not exceeding \$5, 15 cents;
- "For registry indemnity exceeding \$5 but not exceeding \$25, 18 cents;
- "For registry indemnity exceeding \$25 but not exceeding \$50, 20 cents;
- "For registry indemnity exceeding \$50 but not exceeding \$75, 25 cents;
- "For registry indemnity exceeding \$75 but not exceeding \$100, 30 cents;
- "For registry indemnity exceeding \$100 but not exceeding \$200, 40 cents;
- "For registry indemnity exceeding \$200 but not exceeding \$300, 50 cents;
- "For registry indemnity exceeding \$300 but not exceeding \$400, 60 cents;
- "For registry indemnity exceeding \$400 but not exceeding \$500, 70 cents;
- "For registry indemnity exceeding \$500 but not exceeding \$600, 80 cents;
- "For registry indemnity exceeding \$600 but not exceeding \$700, 85 cents;
- "For registry indemnity exceeding \$700 but not exceeding \$800, 90 cents;
- "For registry indemnity exceeding \$800 but not exceeding \$900, 95 cents; and
- "For registry indemnity exceeding \$900 but not exceeding \$1,000, \$1:

"*Provided*, That for registered mail or insured mail treated as registered mail having a declared value in excess of the maximum indemnity covered by the registry fee paid there shall be charged additional fees, as follows: When the declared value exceeds the maximum indemnity covered by the registry fee paid by not more than \$50, 1 cent; by more than \$50 but not more than \$100, 2 cents; by more than \$100 but not more than \$200, 3 cents; by more than \$200 but not more than \$400, 4 cents; by more than \$400 but not more than \$600, 5 cents; by more than \$600 but not more than \$800, 6 cents; by more than \$800 but less than \$1,000, 7 cents; and if the excess of the declared value over the maximum indemnity covered by the registry fee paid is \$1,000 or more, the additional fees for each \$1,000 or part of \$1,000 on articles destined to points within the several zones applicable to fourth-class matter shall be as follows:

"For local delivery or for delivery within the first zone, 8 cents;  
 "For delivery within the second zone, 9 cents;  
 "For delivery within the third zone, 10 cents;  
 "For delivery within the fourth zone, 11 cents;  
 "For delivery within the fifth or sixth zones, 12 cents;  
 "For delivery within the seventh or eighth zones, 13 cents.

"All such fees shall be accounted for in such manner as the Postmaster General shall direct. Mail matter upon the official business of the Post Office Department which requires registering shall be registered free of charge, and pass through the mails free of charge."

Sec. 3. The Postmaster General may make such rules and regulations in accordance with this act as he may consider necessary or advisable.

This act shall become effective April 1, 1932.

Mr. MEAD. Mr. Chairman, this bill fixes the fees and limit of indemnity for domestic registered mail, based upon actual value and length of haul, and creates an additional service by increasing the present maximum of \$1,000 to \$10,000. This increase in amount and rates is explained in the second and third pages of the report.

It is recommended by the department and the committee, and it is estimated that it will increase the receipts of the Post Office Department \$7,000,000. It is in keeping with our committee program of reducing the deficit and putting the Post Office Department on a more businesslike basis. The committee has conferred with the department and agreed upon the fees stated in the bill.

If any time is required on that side, I will yield to the gentleman from Pennsylvania [Mr. KELLY].

Mr. KELLY of Pennsylvania. Mr. Chairman, this bill is one which provides a new feature in addition to the change of rates. At present we have a limited registration, and in this bill we have added a provision which makes it possible for one to register an amount above \$1,000, and you will find included in it the rates provided in the bill which are believed to be sufficient to pay the cost of handling the extra amount.

In 1931 the department received from registered mail matter \$11,846,000, and the expenditure was \$20,214,000, which left a deficit of \$8,516,000. The increased rates of registered matter up to \$1,000 will bring in an additional revenue of \$2,000,000 per year. The cost of the service on amounts above \$1,000 will bring in \$5,000,000, according to the estimates of the department, which would mean that there would be an additional revenue of \$7,000,000.

The registry service, as Members know, originated in 1864. It has been changed from time to time, but has been growing greater each year. There have been losses, which the committee is trying to curtail. We are not endeavoring to curtail the entire amount of the loss, and there will be a slight loss in this service. I believe that these changes will add value to the Postal Service in its registration service.

Mr. STAFFORD. The new policy of registration is to be extended through the zone feature?

Mr. KELLY of Pennsylvania. That is true.

Mr. STAFFORD. Will the gentleman explain the reason of this operation of the registered mail by zones?

Mr. KELLY of Pennsylvania. As the gentleman says, this is a new feature, where we are attempting to handle sums of more than \$1,000. In the past we did not attempt to register sums over \$1,000, although the banks and others desire to transmit much larger sums through the mail. In the past they have had them insured by private organizations, which insured for a profitable rate. The post office transacted the business and the private companies collected the profit.

After a thorough hearing in the last Congress we have thought it safe for the Government to register these sums over \$1,000. The committee thought there should be a zone system where this mail goes a great distance, where they have transfer points, which would give a chance for desperadoes or bandits to take this money. We therefore thought that the zone system should be put into force. The last zone runs the rates up to 13 cents above the regular charge.

Mr. STAFFORD. Will the gentleman direct me to that part of the bill which authorizes the Government to carry amounts in registered mail in excess of \$1,000?

Mr. KELLY of Pennsylvania. I refer the gentleman to the proviso on page 5—

That for registered mail or insured mail received as registered mail having a declared value in excess of the maximum indemnity—

Which is \$1,000—

covered by the registry fee paid, there shall be charged additional fees as follows—

And so forth.

Mr. TILSON. Mr. Chairman, on page 2, in lines 20 and 21, we find reference to—

Mail treated as registered mail in excess of \$1,000, but not in excess of \$10,000.

This is the provision the gentleman from Wisconsin refers to, I think.

Mr. KELLY of Pennsylvania. That is true; and the rates are in the proviso that I referred to.

Mr. TILSON. The provision permitting it is on page 2.

Mr. KELLY of Pennsylvania. Yes.

Mr. STAFFORD. Mr. Chairman, I ask for recognition in opposition to the bill.

The CHAIRMAN. The gentleman from Wisconsin is recognized for an hour.

Mr. STAFFORD. Mr. Chairman, if this bill merely increased the rates of the amount of registered mail that the Government is now authorized to carry, I would not rise at this time in opposition to any part of the bill, but for a long time I have thought it is a mistake for our Government, through the Postal Service, to undertake to carry through the mails vast sums of money. I well recall many years ago when Mr. Burleson, later Postmaster General, then a Member of the House, offered an amendment upon the floor which permitted the Postal Service to carry large sums of money through the mails. At that time we were providing in the sundry civil appropriation bill some \$200,000 for the carriage of Government funds by private agencies. The amendment was to authorize those large funds to be carried through the mails. Now it is proposed to go one step farther in this paternalism of the Government in competition with private enterprise, particularly where vast sums of money are involved, and have the Government carry these funds through the registry system.

From my observation of the operation of the two agencies carrying funds, by express companies and by registered mail, I have thought that the private agencies are far better prepared to safeguard the conveyance of large sums of money than is the Postal Service. We have in recent times suffered tremendous losses by holdups of registered mail. One comes to my mind in the operation of a mail train on the Milwaukee Road leaving Chicago for St. Paul about midnight, which was held up at Roundout, about 20 miles from Chicago. It cost the Government many thousands of dollars.

Mr. KELLY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. KELLY of Pennsylvania. One of the difficulties we were faced with was the practice now of sending these huge sums of money through the mails, registering them up to \$1,000, and then getting a private insurance or indemnity company to handle the insurance on the amount above \$1,000, which put the expense and danger on the Post Office Department without any of the revenue.

Mr. STAFFORD. I do not exactly follow the position of the gentleman. In case of loss, who would receive the benefit or indemnity?

Mr. KELLY of Pennsylvania. I am making the point that we take all of the danger of handling these great sums of money which are insured by private companies. Of course, if a loss is incurred the private company has to stand the loss, but the danger to the employees and the service comes through those vast sums of money being carried as they are now.

Mr. STAFFORD. I understood that under existing law the Postal Service could carry amounts only up to \$1,000.

Mr. KELLY of Pennsylvania. In registration; yes. But sometimes millions of dollars are carried through the mails and the amount above \$1,000 is insured by private companies.

Mr. STAFFORD. But the Government does not stand sponsor for safe delivery of those million dollars.

Mr. KELLY of Pennsylvania. No.

Mr. STAFFORD. The risk is upon the private insurance company or the private bank.

Mr. KELLY of Pennsylvania. The gentleman was making the point about the danger of money in the mails.

Mr. STAFFORD. Yes.

Mr. KELLY of Pennsylvania. The money is in the mails now.

Mr. STAFFORD. But the Government is not responsible for the safe carriage, except for \$1,000.

Mr. KELLY of Pennsylvania. That is true.

Mr. STAFFORD. Now, you are making the Government the insurer. Of course, if I had a million dollars I might send it through the mails if I wanted to, but I would have to take the loss or secure other means of indemnity in case of loss. You are now making the Government the indemnifying agent. This is one of the bills where the report was made at midnight under special order made late yesterday afternoon.

Mr. KELLY of Pennsylvania. If the gentleman will permit, we have had this bill under hearing for the last three years and have thoroughly gone into it. We have tried to safeguard it by providing that the Post Office Department may reinsure if it believes it wise to do so, and the gentleman will find that provision on page 3 at the top of the page, so that we are not taking any undue risk in this matter, and will get some of the returns now going to private companies who insure the money.

Mr. STAFFORD. This is one of the bills where Members did not have a report upon it available until this morning. It is my practice to have all bills and the reports so that I may scan them before they are brought up for consideration. Nevertheless, I believe that we are launching on a very dangerous policy when the Government becomes the guarantor of millions and millions of dollars that may be carried in the mails.

The Government is not as well qualified to safeguard the carriage of great amounts of money as is a private agency, and in the nature of things it can not safeguard the carriage of these huge deposits as well as a private agency.

Mr. KELLY of Pennsylvania. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. KELLY of Pennsylvania. We are using every possible safeguard.

Mr. STAFFORD. There is nothing in this bill that compels the Government to take out indemnity insurance for these tremendous amounts of money that will be transported in the mail and for which the Government will be liable. It rests entirely upon the discretion of the Postmaster General, and if he is socialistically inclined he will not call upon a private insurance company to guarantee the payment of any money that may be lost.

I venture this assertion—and this is merely an assertion: That as between the rates to be charged by a private surety company for the transportation of money by a private agency, such as an express company, and that by Postal Service, the rates will be much higher for the transportation of money in the mails than by a private agency. I lay that down as a postulate, based upon my observation of the care with which money is transported by express companies and the way registered mail matter, not known to the persons guarding it, is transported by the Postal Service now.

Mr. COYLE. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. COYLE. Is it the point of view of the gentleman that the express companies covered all points where this service would be called for?

Mr. STAFFORD. Mostly. Until the Government went into the business of competing with private agencies, private agencies reached almost every available place in the country, but when the Government went into the business of

carrying merchandise and carrying large funds of money, that of itself drove the private agencies out of business, and at whose expense? At the expense of the taxpayers of the country, because ever since the Parcel Post Service was adopted it has been operated at a loss. The mail has been carried at a great loss, and for the benefit of whom? The users, the department stores, at the expense of the taxpayers.

Now we are attempting to balance the Budget. Why do we not attempt to balance the Postal Service?

Mr. COYLE. Will the gentleman yield further?

Mr. STAFFORD. I yield.

Mr. COYLE. I am seriously interested in the gentleman's point of view, because I happen to know of some instances where the express service for this class of transportation was canceled and shortly thereafter the mail service endeavored to cancel their rates for exactly the same transportation. I do not like particularly to mention the point, because I do not want to give it undue publicity but is it the gentleman's opinion that if the express company does not serve any large community, the Post Office Department, with its general monopoly, should serve that community?

Mr. STAFFORD. I am protesting here and now against the Government indemnifying the banks of the country for the transportation of millions and millions of dollars through the mail, as the surety of those companies, rather than forcing the banks to go to a private surety company for their own indemnification. I do not want the Government to go into this business of indemnification; and, if I had my way, I would oppose it, just as I opposed it when Mr. Burleson, the gentleman from Texas, advocated the socialistic proposal that, because we were operating an agency for the transportation of first, second, third, and fourth class matter, we should then and there transport the money of the Government from New York to Philadelphia and other places. That was the entering wedge to this socialistic venture. Now, we have its full fruition of having the Government go into the insurance business.

The gentleman from Pennsylvania [Mr. KELLY] says we do to-day transport these huge amounts of money, and we only stand sponsor to the extent of \$1,000. I say that we should not go beyond that \$1,000 but should throw it upon the banks to look to their sureties for their indemnification.

Mr. COYLE. I agree very closely with what the gentleman says.

Mr. STAFFORD. The gentleman being from Pennsylvania and being a Republican could not aught do else, and those from Pennsylvania are Republicans.

Mr. COYLE. I would like to ask the gentleman this further question: The gentleman would not think that the Post Office Department ought to entirely cancel its transportation to any point that could not otherwise be served, whether it is the transportation of money or ordinary matter?

Mr. STAFFORD. Oh, no. It is not attempted to check or dwarf the present facilities. Even before the Government proceeded upon indemnifying any person or the Government itself for the transportation of Government funds by mail, any third party using the mail could, if he wished, take the risk of sending money in an envelope. We tried to educate the public that there is risk in connection with that and they should buy money orders. Now, we are taking the position that they should utilize the registry service to the extent of millions and millions of dollars, and the Government, for a fee, should indemnify them. The essence of this is whether the Government should go into the insurance business.

Mr. KENDALL. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. KENDALL. The Government indemnity applies only up to \$10,000; not into millions and millions, as the gentleman says.

Mr. STAFFORD. Well, only \$10,000; but at one time it was only \$1,000. A bank, instead of sending one hundred \$1,000 bills in one package, can send 10 packages containing \$10,000 each, and the Government be obligated as indemnitor

to the extent of \$100,000. The banks will easily get around that. The question is whether we should go into the insurance business of indemnifying private agencies for the hazard of sending large sums of money through the mails. I say that the postal agency is not as well suited for safeguarding the carriage of large sums of money in the mail as the express companies are.

I regret that last night I gave consent to having the committee present reports up to midnight. It does not give the Members of this House an opportunity to study the bills. I understood the gentleman to say they were only minor bills. This is a bill of great essential consequence. I was busy in a special committee framing Muscle Shoals legislation this morning, and I do not have time on the floor to prepare the necessary amendments that I think are worthy to safeguard the interests of the Government. It is an instance showing we should be wary of granting leave to committees to file reports up to midnight so that the Members can not have an opportunity to study the bills thoroughly.

Mr. Chairman, I reserve the balance of my time.

Mr. MEAD. Mr. Chairman, the committee asked unanimous consent to file reports after the adjournment of the House because of the fact that we were filing a number of reports during the afternoon, and it was thought we might not be able to file them all before adjournment. Our committee filed the last two reports just a few minutes after adjournment.

This bill has been considered by our committee for several years. It is recommended by the Postmaster General in his last annual report. That recommendation can be found on pages 7 and 49 of his report.

It is a service we are already giving the country. This bill merely extends it; we are in a better position to serve every section of the country than any other agency.

Our committee is endeavoring to balance the postal budget. We are trying to do just what the gentleman from Wisconsin stated he is trying to do.

This bill permits slight increases in rates up to \$1,000. It then gives a new service and adds new rates up to \$10,000. It will raise \$3,000,000 in revenue for the department.

The department, as I said before, is in a position to take care of this added work and serve the country better than any other agency. As the gentleman from Pennsylvania said, the department is now authorized to reinsure. We are not depriving insurance companies of business.

Mr. KELLY of Pennsylvania. Will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. KELLY of Pennsylvania. Is it not also true that the danger at the present time comes because of the fact that we are carrying more than \$1,000? For instance, there are shipments now being made of \$1,000,000 in postal mail bags, and the fact that that large amount of money is carried puts an additional danger on the \$1,000 which we now indemnify.

Mr. MEAD. The gentleman is correct. Mr. Chairman, I ask that the Clerk read the bill for amendment.

The Clerk read as follows:

*Be it enacted, etc., That section 3926 of the Revised Statutes of the United States as amended by the act of February 27, 1897 (ch. 340, 29 Stat. L. 599), providing limited indemnity for loss of registered mail matter, and by the act of March 3, 1903 (32 Stat. L. 1174), fixing such indemnity at not exceeding \$100, and that portion of the act of March 4, 1911 (36 Stat. L. 1337), making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1912, and for other purposes, and providing indemnity for the loss of third and fourth class domestic registered matter, which laws were jointly amended by section 3 of the act of May 1, 1928 (45 Stat. L. 469; U. S. C., Supp. V, title 39, sec. 381a), are hereby further amended to read as follows:*

*"For the greater security of valuable mail matter the Postmaster General may establish a uniform system of registration, and as a part of such system he may provide rules under which the senders or owners of any registered matter shall be indemnified for loss, rifling, or damage thereof in the mails, the indemnity to be paid out of the postal revenues, but in no case to exceed \$1,000 for any one registered piece, or the actual value thereof when that is less than \$1,000, and for which no other compensation or reimbursement to the loser has been made; Provided, That the Postmaster General may in his discretion provide for the payment of indemnity for the actual value of registered mail or insured mail treated as registered mail in excess of*

*\$1,000, but not in excess of \$10,000, when such mail is not insured with any commercial insurance company or other insuring agency, and may fix the fees chargeable for the risks assumed ratably at the rates fixed up to \$1,000; Provided further, That the Postmaster General in his discretion may cause to be underwritten or reinsured in whole or in part with any commercial insurance companies any liability or risk assumed by the Post Office Department in connection with the mailing of any particular registered article or articles.*

*"Sec. 2. The full value of all registered mail or insured mail treated as registered mail shall be declared by the mailer at the time of mailing unless otherwise prescribed by the Postmaster General, and any claim for indemnity in any amount involving such mail, when the full value knowingly and willfully was not stated at the time of mailing, shall be invalid. All claims for indemnity involving registered mail, or insured mail treated as registered mail, or other insured mail, or collect-on-delivery mail, which is also insured with commercial insurance companies or other insuring agencies, shall be adjusted by the Post Office Department on a pro rata basis as a coinsurer with the commercial insurance companies or other insuring agencies."*

Mr. STAFFORD. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: On page 2, line 17, after the word "made," strike out the proviso ending with the figures "\$1,000" in line 24, which reads as follows:

*"Provided, That the Postmaster General may in his discretion provide for the payment of indemnity for the actual value of registered mail or insured mail treated as registered mail in excess of \$1,000, but not in excess of \$10,000, when such mail is not insured with any commercial insurance company or other insuring agency and may fix the fees chargeable for the risks assumed ratably at the rates fixed up to \$1,000."*

Mr. STAFFORD. Mr. Chairman, the striking out of this proviso will leave the operation of the Postal Service as is, other than that higher rates of indemnity will be charged.

This proviso, as you will notice, would authorize the Post Office Department to carry sums in excess of \$10,000 in the event that the Postmaster General, through any commercial insurance agency, would insure those amounts.

I do not want by direction or circumvention to allow the Post Office Department to be held responsible for the carrying of amounts in excess of \$1,000, certainly not to the extent of \$10,000, for which no indemnity is required, certainly not to the extent of \$10,000, and being repeated ad infinitum, which would probably run into hundreds of thousands of dollars.

I think it is a most serious innovation to have the Government, under the guise of increasing the revenues, go into the insurance business. That is what this provision means.

The argument is made by the gentleman from Pennsylvania and the gentleman from New York that banks to-day use the service for the transportation of huge sums of money. Granting that they do use this convenience, nevertheless they must go to a private surety for indemnity. However, under this bill you are permitting the Postmaster General to carry amounts up to \$10,000 without securing any indemnity.

I know just as sure as I am here that we are going to be confronted time after time with heavy losses if this insurance feature is adopted as a policy of the Postal Service.

It is acknowledged that this service is not self-sustaining. Why should we invade the province of private industry to that extent, and which will make it less sustaining under the guise that you are going to authorize the Government to charge a fee for the indemnification?

This is socialism. It is paternalism. We have seen the effects of this proposal. It was made 25 years ago, or thereabouts, by Mr. Albert S. Burleson, when he was a Member of this House. It was tainted in a slight degree—I will use that qualifying clause because he is not present, though I am glad to say he is still alive and enjoying good health—it was tainted to a slight degree with the socialistic proposal that because the United States Government was operating a Postal Service it ought to permit funds to be transported by the Postal Service, whether that service was suited to that purpose or not. It was not suited to it then, and while it may be suited in a degree to carry on such a service now, it can never qualify to carry on such service with the same protection as is given by a private agency.

Mr. KELLY of Pennsylvania. Mr. Chairman, I rise in opposition to the amendment. The gentleman from Wisconsin has offered an amendment striking out the service which the Post Office Committee, after complete deliberation, believes to be worthy on several grounds.

It certainly can not be more socialistic to insure up to \$10,000 than it is to insure up to \$1,000. If any principle of that kind is involved, it applies to a service which has been in existence since 1864 and has been growing more and more valuable every year.

The second point is that we take all the chances. We have all the dangers now in handling these large sums of money that are being sent through the mail without any of the advantages whatever which come from the returns that may be received from it.

The gentleman from Wisconsin refers to the fact that we must turn the post-office machinery loose if we pass this bill. We must do that now. With an indemnity up to \$1,000, when a package of registered mail is stolen, this brings into force every agency of the department. The inspection force must scour the country for years, if necessary, to run down the depredators who take money from the mails.

This will not add one additional cent of that kind of expense to the Government in raising the limit to \$10,000. What it will do will be to give us a proper rate on the increase from \$1,000 to \$10,000.

The Post Office Department has figured that this one provision which the gentleman seeks to strike out will mean \$5,000,000 in clear, additional revenue.

Mr. STAFFORD. Will the gentleman yield?

Mr. KELLY of Pennsylvania. Yes.

Mr. STAFFORD. How much loss will ultimately come to the Government of the United States?

Mr. KELLY of Pennsylvania. That is included in the calculation of the \$5,000,000. The amounts paid out as indemnities on registered mail for 50 years have been considered as to the possible cost of the new registration. It is uncertain, of course, whether raising the limit from \$1,000 to \$10,000 will multiply the losses; but if on a regular basis there are no more losses up to \$10,000 than there have been proportionately on \$1,000, there will be a clear gain of \$5,000,000.

Your committee feels this is well worth the consideration of the Congress with respect to a service that is now losing money. We should establish such rates and such new accommodations for the public as will bring in a total under this bill of \$7,000,000, which will very largely reduce the deficit in the registered mail special service.

We believe this is justified. Hearings have been held on the bill. We have listened to representations from various interests and have finally brought out this bill for due consideration. I hope the amendment of the gentleman from Wisconsin will not be adopted because it would completely destroy this new accommodation that we desire to give the public.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. STAFFORD].

The amendment was rejected.

The Clerk read as follows:

SEC. 3. The Postmaster General may make such rules and regulations in accordance with this act as he may consider necessary or advisable.

This act shall become effective April 1, 1932.

Mr. COYLE. Mr. Chairman, I move to strike out the last word.

I do this, Mr. Chairman, for the purpose of calling the attention of the committee to the fact that the Post Office Department, through its inspectors, has done within the last few days a very fine job. We all think that the Northwestern Mounted police of Canada is a particularly fine body of men, because their boast is that they always get their man. I want to say that the Post Office Department, according to the papers yesterday, proved that they, too, are a body that we can be proud of. Their boast is that they always get the man that interrupts or breaks down the mail service, and yesterday they did get the man who apparently was respon-

sible for the bomb outrages in the Easton post office in my district on December 30, last and I think this is worthy of note, when the Post Office Department itself is under some criticism as not being a safe custodian of the mails.

Mr. GOSS. Mr. Chairman, I would like to ask a question in connection with the rates proposed here. I would like to ask if this is a case of the camel getting his nose under the tent in connection with first-class mail rates and whether there are going to be any increases in that feature of the service.

Mr. MEAD. No; on the other hand, this is an effort on the part of the committee to avert any increase in first-class rates.

Mr. GOSS. Then any such increases will be confined to special items of registered mail and so on?

Mr. MEAD. Yes; the committee has made a definite decision on that question.

Mr. GOSS. That is what I wanted to know.

Mr. STAFFORD. Mr. Chairman, I wish to suggest to the chairman of the committee the advisability of postponing the effective date of this enactment to July 1, as we did in the other bill.

Mr. MEAD. Mr. Chairman, I shall accept such an amendment.

Mr. STAFFORD. Mr. Chairman, I offer the following amendment: Line 17, page 6, strike out the word "April" and insert "July."

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Page 6, line 17, strike out the word "April" and insert the word "July."

The amendment was agreed to.

Mr. MEAD. Mr. Chairman, I move that the committee do now rise and report the bill back to the House, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and Mr. BANKHEAD having taken the chair as Speaker pro tempore, Mr. GLOVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 10244) fixing the fees and limits of indemnity for domestic registered mail, based upon actual value and length of haul, and for other purposes, and had directed him to report the same back with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. MEAD, a motion to reconsider the vote whereby the bill was passed was laid on the table.

TO CURE THE PRACTICE OF DEPOSITING MATTER IN LETTER BOXES WITHOUT THE PAYMENT OF POSTAGE

Mr. MEAD. Mr. Speaker, I call up the bill (H. R. 9262) to amend section 321 of title 18 of the United States Code.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 321 of title 18 of the United States Code be, and the same is hereby, amended to read as follows:

"Whoever shall willfully or maliciously injure, tear down, or destroy any letter box or other receptacle intended or used for the receipt or delivery of mail on any mail route, or shall break open the same, or shall willfully or maliciously injure, deface, or destroy any mail deposited therein, or shall willfully take or steal such mail from or out of such letter box or other receptacle; or shall knowingly, willfully, or feloniously deposit any mailable matter such as statements of account, circulars, sale bills, or other like matter, on which no postage has been paid, in any letter box or other receptacle established, approved, or accepted by the Postmaster General for the receipt or delivery of mail matter on any mail route, with intent to avoid payment of lawful postage thereon; or shall willfully aid or assist in any of the aforementioned offenses, shall for every such offense be punished by a fine of not more than \$1,000 or by imprisonment for not more than three years."

With the following committee amendments:

In line 3, page 1, strike out "section 321 of title 18 of the United States Code" and insert in lieu thereof "section 198 of

the act entitled 'An act to codify, revise, and amend the penal laws of the United States,' approved March 4, 1909, as amended by the acts of May 18, 1916, and July 28, 1916 (U. S. C., title 18, sec. 321)."

Strike out "or other receptacle" wherever it appears in the bill; strike out "or" at the end of line 11, page 1, and "feloniously" at the beginning of line 1, page 2, and insert "or" between "knowingly" and "willfully" in line 11, page 1; strike out "\$1,000" and insert in lieu thereof "\$300" in line 9, page 2, and strike out "or by imprisonment for not more than three years" in lines 9 and 10 on page 2.

Amend title so as to read:

"To amend section 198 of the act entitled 'An act to codify, revise, and amend the penal laws of the United States,' approved March 4, 1909, as amended by the acts of May 18, 1916, and July 28, 1916."

Mr. STAFFORD. Will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. STAFFORD. Will the gentleman explain just what is sought to be done by the proposed amendment?

Mr. MEAD. Let me read what the Postmaster General says. I am quoting a paragraph from a letter regarding this measure:

The purpose of this bill is to curb the practice of depositing statements of account and circulars, sale bills, etc., in letter boxes or other receptacles established for the receipt or delivery of mail, without the payment of postage thereon, by making this a criminal offense. Much matter of this kind is, of course, now deposited in private mail boxes, thus depriving the Postal Service of considerable revenue which it would receive if the matter was sent through the mails.

Our committee decided to reduce the penalty in the original bill from \$1,000 to \$300 and to eliminate the provision for imprisonment altogether. So the extent of the penalty now is a fine of not more than \$300. The practice of public-utility companies and others, who have withdrawn a very profitable business from the Postal Service, is to make deliveries by messenger service. We believe if they withdraw this business from the Post Office Department they should refrain from using the mail boxes. The withdrawal of this mail has reduced our revenues about \$4,000,000 a year.

We have sufficient law now to prevent that practice on rural routes, and we aim to apply the law to city mail boxes.

Mr. STAFFORD. The gentleman states it was the desire to discontinue the practice of depositing mailable matter in other receptacles in the country and city. I believe the gentleman is in error, because the committee does not go to the extent of the Postmaster General's recommendation, in that he suggested that they provide not only for letter boxes but other receptacles. The committee has stricken out "other receptacles."

Mr. MEAD. We struck that language out because we felt we were going too far in enacting legislation which would prevent an individual from dropping a circular or a bill in a slot in the door or in some receptacle not used exclusively as a mail box.

We felt that if the bill covered a mail box erected for the purpose of receiving mail we were going as far as we could in this connection, and so the committee struck out the language "or other receptacle," and we also struck out the language "knowingly, willfully, or feloniously."

Mr. STAFFORD. And substituted "knowingly or willfully."

Mr. MEAD. Yes; that is correct.

Mr. STAFFORD. I wish to get a clear concept of the gentleman's intendment of this legislation. It is the practice in the country local to Milwaukee and local to Detroit, and local, I should say, to most of our metropolitan centers, for the newspaper publishers to provide a separate receptacle for the delivery by their agent of their newspapers in these boxes. Certainly the gentleman does not intend to ban the delivery of those newspapers in boxes furnished by them?

Mr. MEAD. Not at all. The newspapers are setting up their own receptacles; they are not using the mail boxes along rural routes. We want the public-utility companies to take care of their bills without using the mail boxes in the cities.

Mr. STAFFORD. There is nothing here that will prevent any private agency from distributing mailable matter direct to the home or in a private receptacle that was erected by

the patron, provided that receptacle is not used for the receipt of mailable matter. Many of our rural delivery route boxes are provided by—in fact, all cases—and erected by the patron himself.

Mr. MEAD. The gentleman is correct.

Mr. STAFFORD. But that box could not be used for the deposit of any other character of matter. If the patron wanted to have the deposit of other character of matter, he would have to erect a separate box, which would not be used for mailable purposes.

Mr. MEAD. That is right.

Mr. BLANTON. Mr. Speaker, I ask recognition on the amendment. I am wondering if the gentleman from New York [Mr. MEAD], who is chairman of the committee, would be willing to permit an amendment so as to add the word "commercial" before the word "circular," so that it would apply only to commercial circulars. There are some circulars that it is to the interest of the patrons of the Post Office to receive, which are matters of interest in a local community. For instance, there are thousands of communities where notices out in the country to the effect that a church sociable is going to be held or that there is to be singing on Sunday afternoon are put in the mail boxes. This ought not to apply to things of that kind, and it ought to be limited to commercial circulars.

Mr. MEAD. If the gentleman will yield for a moment, permit me to say it is now contrary to law to deposit such circulars as the gentleman has in mind in letter boxes on a rural route.

Mr. BLANTON. That is exactly what I am complaining about, and I am hoping the gentleman from New York in his great experience and wisdom would see fit to stop it from being a violation of the law, because it is to the interest of all the owners of these boxes to receive these little community notices. Of course it is done in spite of the law, but it ought not to be a violation. They ought to have the right to put a little community notice in the box, and if the gentleman would limit this to commercial circulars he would carry out the purpose of the committee and the purpose of the Post Office Department, and still give these people the right to use their mail boxes for little notices that benefit the entire community.

Mr. MEAD. The gentleman will see that the effort being made by the committee is in another direction altogether. We are not in this bill concerned with the law that applies to mail boxes on rural routes. We are trying to apply the law that now applies to rural mail boxes apply to city letter boxes.

Mr. BLANTON. What time is a better time than right now to rectify this little injustice to the rural people? Is there any better time than now? I take it that the gentleman has never lived in a rural community.

Mr. MEAD. That is where I live some of the time.

Mr. BLANTON. Then he realizes the problems that beset the rural people. Some of them get their mail only twice a week, people who live away off in the mountains, and it is unfair to say to them that when they have a notice of high importance to the community, it can not be placed in the boxes. Suppose they were getting up a dance for the young people in the community. That is the only way they have to get word about it. They run around the circuit and put the notices in the boxes. Every time they do it they violate the law, but they do it just the same. We ought to stop it from being a violation of the law.

Mr. MEAD. At such time when the committee takes up the matter of revising the law as it applies to rural mail boxes, I shall be glad to consider the gentleman's amendment, but we are considering now only the application of the law to city mail boxes, and that is the only idea conveyed in the bill.

Mr. BLANTON. Does not the gentleman realize that such an amendment is a good one?

Mr. MEAD. Except that it would in my judgment conflict with the purpose of this bill which applies only to city mail boxes.

Mr. BLANTON. Does this restrict the entire legislation to city letter boxes?

Mr. MEAD. Yes; it does.

Mr. BLANTON. It has no application to rural boxes?

Mr. MEAD. None whatever.

Mr. SEGER. Will the gentleman yield?

Mr. MEAD. I yield.

Mr. SEGER. I am in sympathy with the general purpose of the bill, but does the gentleman mean that this would apply to boxes erected inside the vestibule of apartment houses?

Mr. MEAD. Any mail box that is designated for receiving mail matter. We eliminated some of the language in the bill so that it would not apply to slots in doors and various other contrivances; we apply the law that exists in rural communities to city mail boxes, boxes set up by the patron for the receipt of mail matter only.

Mr. SEGER. On the porch or in an apartment house?

Mr. MEAD. Wherever the city letter carrier delivers mail to the patron, whether in the hallway or on the veranda, as long as it is a mail box.

Mr. SEGER. Is that not a broad interpretation? Suppose I was going to visit a friend and he was not home and I left a note in his letter box, would I be punishable under this law?

Mr. MEAD. Well, as the gentleman from Texas said, they now deposit circulars in the local letter boxes and they are not interfered with; but where some large corporation withdraws a volume of mail from the Post Office Department and sets up a service of its own, we restrict the use of the mail receptacles to mail matter handled by the Post Office Department.

Mr. SEGER. I can see where there would be considerable revenue taken from the Post Office Department, but I think the bill is so broad that it would take in the receptacles in every apartment house in a city.

Mr. MEAD. On line 5, page 2, of the bill the gentleman will find we struck out the language "or other receptacle," and narrowed it down to apply to mail boxes only.

Mr. BOYLAN. Will the gentleman yield?

Mr. MEAD. Yes; I yield to my distinguished colleague.

Mr. BOYLAN. Does the gentleman not believe that the penalty is excessive? The idea of penalizing a person to the extent of \$300, to my mind, would be entirely unjust because it is too severe. If that penalty were reduced to about \$3 it would be more in keeping.

Mr. MEAD. The original penalty provided in the bill was that every such offense should be punished by a fine of not more than \$1,000 or by imprisonment for not more than three years. The committee struck out that language and inserted in lieu thereof a fine of \$300 and no imprisonment.

Mr. BOYLAN. That is true, but the original proposition would be atrocious. The idea of fining a man a thousand dollars or sending him to jail for three years, although at the present time many people would be better off in jail on account of the depression, seems absurd to me. The gentleman knows that the Federal jails are woefully overcrowded now, due to the enforcement of the prohibition act, and we can not build jails fast enough. Even with a penalty of \$300, suppose a man is not able to pay the \$300, then he must go to jail, must he not?

Mr. MEAD. No. He probably would be warned not to use the mail boxes hereafter. I have never heard of anyone going to jail for a trivial matter as the gentleman has in mind. We have reduced the fine to a minimum. I understand existing law with regard to rural mail boxes is much more severe, but the committee, moved by the same humanitarian spirit as that which moves the gentleman from New York, reduced it to what they believed a reasonable minimum.

Mr. BOYLAN. Well, just imagine where would a man get \$300 in these days of depression? If he did not pay the \$300, perhaps he would be committed to jail. The jails are now overcrowded.

Mr. MEAD. I agree with my colleague; they are crowded, but with the amendment which we have adopted no one can be sent to jail. I for one objected to such a

provision. Nor will it be necessary to levy a fine of \$300, for the bill states that not more than \$300, which will permit of a fine from \$1 up.

Mr. BOYLAN. Then I suggest that the penalty be reduced from \$300 to \$3 for each offense. Will the gentleman accept such an amendment?

Mr. MEAD. I am afraid I could not at this time, because we are aiming to curb a very bad practice, a practice that has withdrawn \$4,000,000 from the revenue of the Post Office Department. I feel sure there will be no injury caused to any constituent of the gentleman from New York for depositing a card in a mail box, but it may prevent large companies from taking business away from the Post Office Department.

Mr. BOYLAN. But, knowing the gentleman as I do, and knowing his wonderful humanity and generosity of spirit, I feel that his zeal in securing additional revenue for the Government has carried him away from his first principles. Just imagine mulcting a man or a woman to the extent of \$300 in these hard times for a simple misdemeanor of this kind.

Mr. MEAD. I doubt whether that would be applicable in this case, and I for one would resent it.

The SPEAKER pro tempore. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The SPEAKER pro tempore. The Clerk will report the remaining committee amendments.

The Clerk reported the remaining committee amendments.

Mr. KELLY of Pennsylvania. Mr. Speaker, I move to strike out the last word for the purpose of adding to the statement made by the chairman of the committee and to reassure my friend the gentleman from New York [Mr. BOYLAN] that the law has had much heavier penalties than this bill carries for many years, and it has worked out in practice in this way: The department has a regulation that where this mail matter is put into a rural box covered by law, it is carried back to the post office and is there rated up, as if it were sent by mail, and the mailer notified. Without doubt these bills of the public utility companies, and so forth, will be taken back to the office by the carrier and rated up and the company notified and the postage will be paid on them.

The SPEAKER pro tempore. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

Mr. MEAD. Mr. Speaker, I move the previous question on the bill to final passage.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion by Mr. MEAD, a motion to reconsider the vote by which the bill was passed was laid on the table.

The title was amended to read as follows: "A bill to amend section 198 of the act entitled 'An act to codify, revise, and amend the penal laws of the United States,' approved March 4, 1909, as amended by the acts of May 18, 1916, and July 28, 1916."

#### LEAVES OF ABSENCE TO SUBSTITUTES IN THE POSTAL SERVICE

Mr. MEAD. Mr. Speaker, I call up the bill (H. R. 4719) granting leaves of absence with pay to substitutes in the Postal Service.

The SPEAKER pro tempore. The gentleman from New York calls up a bill, which the Clerk will report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. This bill is on the Union Calendar.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4719) granting leaves of absence with pay to substitutes in the Postal Service, with Mr. GLOVER in the chair.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That hereafter, when substitute postal employees have worked a total of 1,224 hours, they shall be entitled throughout their period of substitution in each fiscal year to leave with pay at the rate of one and one-quarter days for each

204 hours' service rendered and sick leave with pay at the rate of five days for each 1,224 hours' service, to be cumulative throughout period of substitution and continued, if not used, to the credit of the substitute after his appointment to the regular force.

Mr. MEAD. Mr. Chairman, in explanation of this bill I will say it was reported by our Committee on the Post Office and Post Roads at the last session. It passed the House without objection but failed of being reached on the Senate calendar.

It grants substitutes in the Postal Service sick leave and vacation-time allowance provided they are employed six months or more in any one year.

For the last two or three years, as a result of the falling volume of business in the Post Office Department, substitutes are not as a rule receiving six months' employment, and therefore the bill would not apply to many cases. We therefore estimate that the cost would be negligible compared to normal years, but it would give the substitutes the same rights now enjoyed by the regulars in the service; they would be considered regular civil-service employees.

When the Second Assistant Postmaster General came before our committee he was asked if the substitutes in the Postal Service were not in reality regular employees, and in reply to that question he said, "If they are not regular employees, you tell me what they are."

This bill aims to give to the substitutes in the service some consideration for the many times they report for work. They are always ready to take the place of a regular in order to keep the mail moving. They render a valuable service and many, many times they are forced to return to their homes without putting in any time, only to report again the next day.

This bill will affect those substitutes who work at least six months out of every year, and will give them proportionate consideration in connection with sick leave and vacation allowance.

As I said before, the bill was reported out in the last Congress; it passed the House but failed to be reached on the calendar of the Senate. I hope it will be approved at this time.

Mr. STAFFORD. Will the gentleman yield?

Mr. MEAD. Yes. I yield.

Mr. STAFFORD. I notice from the letter of the Postmaster General, a very brief letter, that he estimates, if this bill is passed, there will be an added burden on the Treasury of \$1,894,723 a year. I assume that is predicated upon the operation of this law under normal conditions.

Mr. MEAD. The gentleman is correct. The gentleman realizes that under present conditions, except in rare cases, only regulars in the department are employed, and our committee believes the estimate of the Postmaster General is excessive and applies, as the gentleman has indicated, only in normal years.

Mr. STAFFORD. Has the gentleman any estimate as to what expense would be entailed if it were put into operation at once under existing conditions?

Mr. MEAD. Our committee estimated that it might reach a maximum of \$600,000, but that is a mere conjecture, because, as I said before, most of these substitutes are doing nothing but reporting night and morning and receive very little employment in most cases.

Mr. Chairman, I yield five minutes to the gentleman from Indiana [Mr. Mogg].

Mr. HOGG of Indiana. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein a short petition from the postal employees of the Indianapolis, Ind., post office.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. HOGG of Indiana. Mr. Chairman, I call the attention of the House to some facts in connection with the substitute employment question in the Postal Service.

Many substitutes are now regularly employed at lower pay rates than the regulars receive and pending legislation is designed to require their appointment. My hope is it will

be liberally construed to bring the greatest possible relief to the substitutes.

Owing to the variations in mail fluctuations and work requirements, it is necessary to have a flexible working force—one that can be expanded or contracted to meet actual work needs. For this reason the Post Office Department employs substitutes, taking them from the civil-service eligible lists when needed. The existing ratio is one substitute clerk for every seven regular clerks and one substitute carrier for every four regular city letter carriers. The substitutes are paid at the rate of 65 cents per hour. Their period of substitution is not definitely fixed, which I believe is a mistaken policy.

Substitutes should be assured of a minimum number of hours of work weekly. I have fixed this minimum at 30 hours in a bill I have introduced—H. R. 5110. At 65 cents an hour this would mean only a weekly minimum of \$19.50. Obviously this amount, even as a minimum, is far too low to attract the type of worker needed in our Postal Service.

My hope is the minimum in my bill will be exceeded at least to the extent of 15 hours—or 45 hours' work for substitutes each week. Further, there should be a definite limit placed on the length of substitute service, not to exceed two years.

The Post Office Department can within a reasonable time establish a satisfactory substitute force that could be kept at a numerical level to permit of appointments within two years, and in the meantime the substitutes could be guaranteed 30 hours' work weekly. This may necessitate a larger auxiliary or temporary force during rush periods, but such an arrangement would be far more satisfactory than the present one. In most communities there is an ample supply of labor that could be utilized for short periods on brief notice when required in the post offices. Such workers, as now, would have no civil-service status, and consequently the Government would be under no moral obligation to provide employment for them. This situation does not apply with the substitutes, all of whom have taken successfully an examination with the expectation of securing postal employment, and many of whom have relinquished other jobs as a consequence. This temporary or auxiliary help would not depend upon the Postal Service as a means of livelihood. These workers, where they are now utilized, are largely recruited from among the college students or workers who have other employment that does not take up all of their time. In short, a larger temporary and auxiliary force would permit the department to keep its substitute force within reasonable bounds.

In addition to my bill to guarantee substitutes a minimum amount of work weekly, I favor heartily, as a necessary supplementary measure, the Sweeney bill (H. R. 6183) limiting substitute service to one year. I favor also the Kelly leave bill (H. R. 4719), which would give substitutes the same leave privileges as regulars. These three measures would go far toward improving economic conditions.

#### PETITION FROM INDIANAPOLIS

I include in my statement at this point a petition signed by 56 substitutes of the Indianapolis post office urging action on the Kelly and the Sweeney bills. This petition is a fair sample of countless petitions which I have received from many parts of our Nation in regard to my own bill:

NATIONAL FEDERATION OF POST OFFICE CLERKS,  
Indianapolis, Ind., February 20, 1932.

#### A PETITION

DEAR SIR: In addressing you on a subject that is nearest our hearts we wish this petition to be regarded by you as an expression of our confidence in the sincere efforts you are putting forth to secure the legislative ends so vital to us as substitute clerks.

We wish hereby to establish the fact that we shall be known to be earnestly in accord with the provisions for sick and annual leave contained within the Kelly bill, H. R. 4719. We believe this will be the nearest approach obtainable at this time in the direction of remedying the injustice of the present system.

The Sweeney bill, H. R. 6183, appeals to us as an ideal measure in rightly interpreting the functions of a substitute and definitely controlling the term of service as such.

We hope to see a speedy end to the practice by which appointments to regular clerkships are deferred for an unreasonable period

of time; for instance, some of our group are rounding out their eighth year as substitute clerks.

We heartily indorse these two bills and commend your efforts in their behalf.

Fraternally yours,

Dewey R. Morgan, Elmer V. Klaiber, Varjo A. Anderson, Ralph B. Thompson, Arthur C. Langer, Jess Brown, Harry Anderson, Paul Becker, Lloyd L. Locke, M. R. Burnworth, P. H. Lawvere, Carl F. Zuchert, F. J. Schooler, Jr., O. K. Jenkins, E. C. Elliott, Walter A. Johnson, Roscoe E. McNutt, Oscar Pollard, Isard Spall, Paul D. Gillum, Myron W. Starn, Encl P. W. Burnworth, Neil T. Kershner, C. L. McMurray, S. P. Markland, Chas. J. Sanns, Chas. C. Smith, Arthur B. Lewellen, R. L. Melick, E. G. Bennett, Lester Byfield, Clarence G. Myer, George A. Baltzell, W. S. Sweeney, James W. Cranz, Lee Snyder, R. L. Newhouse, H. H. Newman, Geo. T. Davis, Julius L. Rockever, Charles A. Bell, Arthur M. Johnson, Jos. W. Baird, Roscoe Kukwar, Hamilton Powell, Cliffe Giunt, Samuel Wilmer, Wm. N. Setts, S. G. Tulley, Alice McCarthy, Ivan Whitesell, Geo. W. LaFerney, G. Jerrson, Robert D. Fee, Clifford E. Powell, Wm. A. Carter, Indianapolis post office substitute clerks.

Attest:

HARRY ESTLE,  
President Local No. 130.

HERMAN L. KETTLER,  
Chairman Legislative Committee.

Mr. Thomas Flaherty, the exceedingly able legislative representative of the National Federation of Post Office Clerks, has given very valuable testimony to the Post Office Committee on this subject. He has shown that many employees in the smaller second-class offices have been dropped through relegation of this office to temporary third class; that thousands of substitutes who have worked as such for years are now earning little or nothing; that they have been dropped off the pay roll, if not off the civil-service list. That by restoring 8 and 9 hour working schedules for regulars and removing the speed-up system under which one clerk must do the work; that by making Saturday a half holiday, as the Kendall law was intended, will help the situation. Mr. Flaherty has explained to the committee that the problem of substitutes is largely one of sympathetic and intelligent administration.

Because of his comprehensive knowledge of the subject, his integrity and fairmindedness, his testimony to the committee merits fullest consideration.

#### MANY PETITIONS AND PROTESTS

The many petitions and protests from post-office substitutes in Los Angeles, Brooklyn, Pittsburgh, and other places requesting legislative relief are to the same effect, namely, that the falling off in mailings and the department's economy program, whereby the hours of regular employees in many instances have been increased by a change in working schedules, have greatly reduced work opportunities for the substitutes.

It is incumbent upon the Congress to now give some legislative relief to these substitutes by enacting these measures.

#### RELEGATION OF SECOND-CLASS POST OFFICES

I call the attention of the House to a bill that I have introduced (H. R. 8684), which is intended to prevent the relegation of second-class offices to third class due to a falling off in receipts. This condition is a by-product of the present depression, and I believe the Congress should lower the existing fiscal requirement in the interests of the postmasters and employees affected. The law now fixes \$8,000 as the requirement to maintain a second-class designation. I would lower this to \$6,500 for the present and the next fiscal year. This would give the postmasters and employees in the smaller offices an opportunity to retain their present status during the depression period.

As near as can be estimated, 125 offices will be relegated on July 1 next, unless this legislation is enacted. This would mean that approximately 400 employees and postmasters would either be without employment or would have their earnings greatly reduced. Inasmuch as the Congress has very properly seen fit to come to the aid of other groups, I believe we should not overlook these faithful employees in the smaller communities where, if thrown out of employment, there would be little opportunity to find it elsewhere at present.

I bespeak the support of H. R. 8684 by the House membership as a constructive measure to lessen unemployment. [Applause.]

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read the bill for amendment.

Mr. MEAD. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GLOVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 4719) granting leaves of absence with pay to substitutes in the Postal Service and had directed him to report the same back to the House with the recommendation that the bill do pass.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. MEAD, a motion to reconsider the vote by which the bill was passed was laid on the table.

#### PAYMENT OF MONEY ORDERS

Mr. MEAD. Mr. Speaker, I call up the bill (H. R. 278) to compensate the Post Office Department for the extra work caused by the payment of money orders at offices other than those on which the orders are drawn.

The SPEAKER. The gentleman from New York calls up a bill, which the Clerk will report.

The Clerk read the title of the bill.

The SPEAKER. This bill is on the Union Calendar.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 278) to compensate the Post Office Department for the extra work caused by the payment of money orders at offices other than those on which the orders are drawn, with Mr. GLOVER in the chair.

The Clerk read the title of the bill.

Mr. MEAD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MEAD. Mr. Chairman and members of the committee, this bill permits the Post Office Department to make a charge equal to the original charge when a money order is paid at a post office other than the one on which the order is drawn. This merely compensates the department for the extra work involved.

It has been recommended by the Postmaster General in his last annual report. It was considered by the Post Office Committee and unanimously reported.

As I said in the beginning, it is an attempt to provide compensation for service not heretofore compensated for and given by the Post Office Department to those who use this particular class of service.

Mr. FOSS. Will the gentleman yield?

Mr. MEAD. I yield to the gentleman from Massachusetts, the author of the bill.

Mr. FOSS. I simply want to call attention to the fact that this bill passed the House last year.

Mr. STAFFORD. The gentleman's remark occasions my rising to propound the inquiry whether this proposal was not somewhat contested last year when it was brought up for consideration?

Mr. HOGG of Indiana. If the chairman of the committee will yield, I may say it was only objected to by two, or perhaps three, Members and at that time the fee was explicitly fixed in the bill.

Mr. STAFFORD. And now it is proposed to leave the amount of the fee to the determination of the department?

Mr. HOGG of Indiana. No; according to the bill, the fee will be the same at the other end.

Mr. MEAD. In other words, a charge equal to the money-order fee now charged is made when a patron requests the cashing of a money order at an office other than the office upon which the order was drawn.

Mr. STAFFORD. Will the gentleman yield me a few minutes on the bill?

Mr. MEAD. Mr. Chairman, I yield the gentleman from Wisconsin five minutes.

Mr. STAFFORD. Mr. Chairman, this is one of the bills that was under consideration last year, and was reported late last evening so as to be on the calendar for to-day.

When this bill was up for consideration last year I questioned whether it was proper to charge the same fee for payment at a different office from that of issue because conditions might mean that that fee would be much larger than the service would warrant. Take, for instance, you charge 40 cents for the payment of a postal money order of \$100, and the expense occasioned by having it paid at some other office would be just the same whether the amount is \$2.50 or whether it is \$100, and yet under this bill you would require the payment of a larger amount, although the expense would be the same, because there is no greater clerical service required.

I ask the author of the bill what is his idea about charging the same fee as the initial fee when the cost is no different regardless of the amount of the money order.

Mr. FOSS. It is simply because the fee is already established.

Mr. STAFFORD. The gentleman will agree, I believe, with my position that there is no further cost whether the money order is for \$2.50 or \$100.

Mr. FOSS. As I recall, last year we did fix a definite fee for that purpose. As I recall, in the last Congress the Post Office Department wished it left to them to determine the amount of the fee for this service, and the committee did not believe that the department should have such discretion.

Mr. HOGG of Indiana. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. HOGG of Indiana. Does not the gentleman from Wisconsin believe that if a person purchases a money order at Washington payable at New York and then puts that in his pocket and takes it to San Francisco the Government ought not have a fee for balancing the accounts when it makes payment at San Francisco?

Mr. STAFFORD. Yes. I take the position that you should compensate the department for the extra service, but you should leave it to the department to determine what the charge for the extra service is to be.

Mr. HOGG of Indiana. We brought in such a bill last year, and it was objected to because the objectors did not want to leave the fixing of fees to the department.

Mr. STAFFORD. No.

Mr. LA GUARDIA. Yes; I objected.

Mr. HOGG of Indiana. The able gentleman from New York [Mr. LA GUARDIA] objected to that.

Mr. STAFFORD. I understood the policy of the committee last year was not to submit this to the decision of the department, but to recommend a definite fee.

Mr. FOSS. Yes; that is right.

Mr. STAFFORD. The gentleman from Massachusetts [Mr. Foss] confirms my statement.

Mr. FOSS. And we did recommend a definite fee on all such bills.

Mr. STAFFORD. Here is a money order, issued in New York, for \$100, payable in Philadelphia. The person happens to cash it in Baltimore. Why should he be charged a different fee for payment in Baltimore? If the money order is for \$2.50 he only pays 7 cents, whereas if it is for \$100 he would pay 40 cents.

Mr. HOGG of Indiana. Simply because the sendee is asking the Government to do something that it did not contract to do, and a larger fee is just when larger amounts are involved.

Mr. STAFFORD. I am in favor of the primal idea of this bill in requiring an extra charge for the payment of a money order at a different office from that at which the money order was originally intended to be paid.

Mr. HOGG of Indiana. If the gentleman will yield further I will answer the gentleman's inquiry. There must be

a fixed and arbitrary charge of some kind. I submit to the gentleman that there is no method of arriving at a more reasonable charge than to fix the same fee which was originally charged the sender of the money order. If the sender pays a certain fixed fee for sending \$100 from one city to another city surely the sendee should pay a like fee for cashing the money order in a third city.

Mr. STAFFORD. I would much rather leave it to the department to establish one uniform fee, based upon certain conditions as to distance and the like.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the act entitled "An act to regulate the payment of postal money orders," approved February 6, 1913 (38 Stat. 280; U. S. C., title 39, sec. 727), is amended to read as follows:

"That under such rules and regulations as the Postmaster General shall prescribe postal money orders may be issued payable at any money-order post office, and on and after the date upon which such rules and regulations become effective all money orders shall be legally payable at any money-order post office, although drawn on a specified office; and as compensation for the extra labor involved in paying a money order at an office other than that on which the order is drawn the Postmaster General is authorized to exact a fee of the same amount as that charged for the issue of the order; and that all laws or parts of laws in conflict herewith are hereby repealed."

With the following committee amendment.

Page 1, line 4, strike out "1913" and insert "1914" instead.

Mr. MEAD. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GLOVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 278) to compensate the Post Office Department for the extra work caused by the payment of money orders at offices other than those on which orders are drawn, and had directed him to report the same back with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. MEAD, a motion to reconsider the vote whereby the bill was passed was laid on the table.

#### LIMITATION OF THE PURCHASES OF THE POST OFFICE DEPARTMENT

Mr. MEAD. Mr. Speaker, I ask unanimous consent that the bill (H. R. 5612) to limit the purchases of the Post Office Department, so far as possible, to articles of the growth, production, or manufacture of the United States be laid on the table.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

#### TO DEFER REDUCTIONS IN CLASS OF POST OFFICE AT SALARIES OF POSTMASTERS AND EMPLOYEES

Mr. MEAD. Mr. Speaker, I call up the bill (H. R. 6305) to amend the act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustments, and for other purposes, and I ask unanimous consent that this bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. STAFFORD. Mr. Speaker, this is an important bill involving a \$600,000 charge on the Treasury, and it is too important to be considered in the House as in Committee of the Whole.

The SPEAKER. Does the gentleman from New York think this bill will take any extended time?

Mr. MEAD. I do not believe so. The gentleman from Wisconsin, I think, is mistaken in his estimate of the total cost of this bill.

Mr. STAFFORD. I direct the gentleman's attention to the report, in which it is said that its enactment would involve an approximate additional expense of \$691,422 for the fiscal year 1932, and it is believed that greater additional expense for the fiscal year 1933.

The SPEAKER. The Chair desires to call attention to the colloquy yesterday afternoon, in which it was suggested that in the latter part of the day the Speaker would be authorized to recognize gentlemen to take up the rule on the moratorium-irrigation proposition. If this bill is to take up two hours, it would then be 6 o'clock. If there is real opposition, it could not be passed in an hour.

Mr. BYRNS. Mr. Speaker, the Assistant Postmaster General says that the enactment of this bill would involve an approximate additional expense of \$691,422 for the fiscal year 1932, and it is believed greater additional expense for the fiscal year 1933, and he is opposed to the bill.

Mr. BRUNNER. Mr. Speaker, at the hearing this statement was made:

Mr. TROTTER. This would reduce \$234,000. However, there would be some offset, because when they went back to the third class they would pay, then, from the appropriation for third-class postmasters \$184,178. So these officers would cost only \$60,622.

Mr. BYRNS. Mr. Speaker, I have just read from the letter addressed to the committee by the First Assistant Postmaster General.

Mr. MEAD. The bill takes effect the 1st of July next; if the depression continues, it might reach the figures suggested by the chairman of the Committee on Appropriations. But, in view of the fact that we are supposed to have reached the bottom and are about to rise, it will not have any effect, except, if we increase the revenues, it will increase salaries.

It is merely to protect them from a further reduced classification. It protects the second-class offices from going into the third class, thereby losing their civil-service status.

Mr. KELLY of Pennsylvania. It does not mean the taking of an additional dollar out of the Treasury more than was provided for the fiscal year which we are covering in this bill.

Mr. BYRNS. That may be true; but if we do not take that dollar and pay it out in an increased salary to the postmaster, it will help to take care of the deficit to the extent of whatever is saved in that respect, and even if it is only \$60,000, I do not think this is a good time to increase salaries.

Mr. KELLY of Pennsylvania. If the gentleman will yield, the gentleman's own committee brought in the appropriation which will be used, if this bill goes through, upon the basis that the revenues would be on a stable basis. Instead of that, they have dropped almost \$50,000,000 for the year.

Mr. BYRNS. What has the gentleman to say in regard to the position of the Post Office Department as to this bill? I think we ought to trust some things to the Post Office Department. They have written a letter saying that they are opposed to this bill. I do not believe it ought to pass without due consideration.

Mr. KELLY of Pennsylvania. We have passed this afternoon measures which will increase the revenues of the Post Office Department more than \$15,000,000, and this bill does not take an extra dollar out of the Treasury above the amount provided by the regular appropriation.

Mr. BYRNS. Then let us not now begin to chip off what we have saved in the way of revenues. Let us make it a real saving, and not turn around and give it away in salaries.

Mr. KELLY of Pennsylvania. There is no increase whatever. The gentleman seems to think that we are increasing salaries. All we are doing is maintaining salaries at the level which the gentleman's committee appropriated for the fiscal year 1932-33.

Mr. BYRNS. But under the law these salaries are fixed according to receipts, and when we undertake to change the law and provide that a lesser amount of receipts shall not affect the salaries, then we are increasing the salaries contemplated by Congress when it passed the original legislation, and I assume that that is one of the major reasons

which influenced the Post Office Department to recommend this bill be not adopted.

Mr. KELLY of Pennsylvania. There is another point involved in this bill, and that is that these postal revenues have reached such a stage now that certain second-class offices, which have civil-service employees of many years' standing, have been reduced automatically to third class. Immediately all the rights of those civil-service employees—their retirement and their standard pay—falls and they become employees of the postmaster and no longer have a civil-service status. These employees are protected in this bill, and they well deserve it.

Mr. MEAD. Mr. Speaker, in view of the opposition and the possibility of considering the unanimous-consent request made last night, I ask unanimous consent that this bill be temporarily laid aside.

The SPEAKER. Without objection, it will be so ordered. There was no objection.

#### THREATENING COMMUNICATIONS IN THE MAILS

Mr. MEAD. Mr. Speaker, I call up the bill (H. R. 96) to punish the sending through the mails of certain threatening communications, which I send to the desk and ask to have read.

The Clerk read as follows:

*Be it enacted, etc.,* That whoever, with intent to extort or without justification to demand from any person money or other thing of value, shall deposit or cause to be deposited in any post office, or station thereof, or street or other letter box of the United States, or authorized depository for mail matter, to be sent or delivered by the post-office establishment of the United States, any written or printed letter or other communication with or without a name or designating mark subscribed thereto, addressed to any other person and containing any threat (1) to injure the person, property, or reputation of the addressee or of another or the reputation of a deceased person, or (2) to kidnap any person, or (3) to accuse the addressee or any other person of a crime punishable by law, or (4) to expose any infirmities or failings of any person or to charge any person with infirmities or failings shall be fined not more than \$1,000 or imprisoned not more than five years: *Provided,* That the accused may be indicted and tried either in the district in which the unlawful matter is deposited as aforesaid or in the district to which it is carried by mail for delivery, according to the directions thereon, or in the district to which it is directed to be delivered by mail by the person to whom it is addressed.

With the following committee amendments:

Page 2, line 8, strike out "\$1,000" and insert "\$5,000."

Page 2, line 9, strike out "five" and insert "20."

The SPEAKER. The question is on agreeing to the committee amendments.

The committee amendments were agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

#### EQUIPMENT ALLOWANCE TO THIRD-CLASS POSTMASTERS

Mr. MEAD. Mr. Speaker, I call up the bill (H. R. 4602) granting equipment allowance to third-class postmasters, which I send to the desk.

The SPEAKER. The gentleman from New York calls up the bill H. R. 4602. This bill is on the Union Calendar.

Mr. MEAD. Mr. Speaker, I ask unanimous consent to consider the bill in the House as in Committee of the Whole.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, this is one of the bills reported late yesterday. I object.

The SPEAKER. The House will automatically resolve itself into the Committee of the Whole House on the state of the Union and the gentleman from Arkansas, Mr. GLOVER, will take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 4602, with Mr. GLOVER in the chair.

The CHAIRMAN. The Clerk will report the bill.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That on and after July 1, 1932, postmasters at third-class offices in which post-office fixtures and equipment are not provided by the Post Office Department shall be paid, as

allowances for personally owned or rented post-office fixtures and equipment, an amount equal to 50 per cent of the box rents collected at such offices, the allowances to be paid quarterly, under such rules and regulations as the Postmaster General may prescribe: *Provided*, That when post-office fixtures and equipment are furnished by the Post Office Department at post offices of the third class, the provisions of this act shall become inoperative.

With the following committee amendment:

Page 1, line 3, strike out "1932" and insert "1933."

Mr. MEAD. Mr. Chairman, this bill permits third-class postmasters to retain 50 per cent of the box rents collected from their patrons. All this equipment is furnished by the postmaster at no expense to the Government. The local postmaster pays taxes and insurance on the equipment and is not reimbursed by the department. We believe this legislation is meritorious and should be approved. The Committee on Appropriations cut out an item which would enable the Postmaster General to purchase a certain amount of this equipment during the next fiscal year. If that practice continues and these postmasters are forced to furnish their own equipment they should share in the revenues resulting in the use of the equipment. We provide in this bill that 50 per cent of the revenue from the box rents shall be turned over to the Government and 50 per cent retained by the postmasters. It is his own property. When he is appointed postmaster he must buy this equipment and is not reimbursed by the department. When he leaves the service, in many cases he finds it impossible to sell his equipment, even at a sacrifice. It occurs to me it is an injustice to expect third-class postmasters to provide their own equipment when we provide the equipment for other postmasters. I feel that the department should standardize this equipment, own this equipment, and this legislation is intended to bring that condition about.

We have amended the bill so that it will not take effect during the next year and will only go into effect in July, 1933. This is a discrimination that should be corrected, and the committee aims to make that correction by this bill. I hope it will be favorably approved by the House.

Mr. STAFFORD. Mr. Chairman, I ask recognition in opposition to the bill.

The CHAIRMAN. Is there any member of the committee opposed to the bill? [After a pause.] If not, the gentleman from Wisconsin is recognized for one hour.

Mr. STAFFORD. Mr. Chairman, I yield to the gentleman from Tennessee [Mr. BYRNS] such time as he desires.

Mr. BYRNS. Mr. Chairman, I am not going to discuss the merits of this bill so much as I am the question of passing bills of this kind at this particular time. I am going to read to you the report of the Postmaster General on this particular bill. Then if you feel that the opinion of the Postmaster General, who is the head of the department, is not to be considered and that we should pass the bill notwithstanding his opposition, of course, that is the privilege of the House.

This is the letter of the Postmaster General, set forth in the report:

POST OFFICE DEPARTMENT,  
Washington, D. C., January 26, 1932.

HON. JAMES M. MEAD,  
Chairman Committee on the Post Office  
and Post Roads, House of Representatives.

MY DEAR MR. MEAD: Replying to your letter of the 14th instant, requesting an expression of my views on bill H. R. 4602, providing for an equipment allowance to postmasters at third-class post offices in an amount equal to 50 per cent of the box rents at such offices, I have to advise that in view of the additional expense involved, approximately \$1,000,000 per annum, it is recommended that adverse action on the bill be taken.

Very truly yours,

WALTER F. BROWN.

Now, the Postmaster General ought to know more about this bill and its effect than any other person. He tells you that when you put it into the law it is going to cost the taxpayers of the country \$1,000,000 per annum.

The gentleman from New York [Mr. MEAD] says he will provide that it shall not go into effect until the fiscal year 1933, or next July 1; but I call attention to the fact that we are now not only in a state of intense depression and a big deficit but on to-morrow we will take up a tax bill

which taxes everything that every man and woman in this country eats and wears, with a very few exceptions. In face of that are we going to add another million dollars to the deficit that will occur on June 30, 1933? That is what we are going to do if we pass this bill.

Now, Mr. Chairman, the Committee on Appropriations considered this matter a year ago. Third-class postmasters who have been seeking increases in salary were allowed \$300,000 for the purchase of equipment in their offices. There are about 9,000 of them, as you can realize by the amount involved in this bill. They will have provided for 200 third-class postmasters this coming year in that \$300,000. It will require a period of about 20 years before we ever get through providing equipment, and before half that time elapses Congress would be appropriating more money for those who first got the equipment, and it would cost \$15,000,000 to complete the program. Your Appropriations Committee recommended, and this House without question ratified, their recommendation and cut that appropriation out of the appropriation bill for next year. Now, you are asked to pass a bill which will provide not for \$300,000 but for a million dollars next year. Gentlemen, when are we going to stop?

Mr. DYER. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. DYER. I understood from the press that the so-called policy committee of the House, which I take it to be the leaders, including, of course, the gentleman from Tennessee, has advised chairmen of the various committees not to bring in legislation, generally speaking, that would put a tax upon the Treasury?

Mr. BYRNS. No; not as far as I know. I have not attended every meeting of the policy committee, but I do not think the matter has been broached in the policy committee. I do recall a letter which the papers stated was written by the Speaker and the majority leader to the chairmen of the various committees requesting them not to report legislation involving authorizations unless there were vital reasons for doing so.

Mr. DYER. We of the Judiciary Committee took that as law and have been following it strictly so far; but if other committees are not going to do it, of course, then our committee should not be expected to do so.

Mr. TABER. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. TABER. Does the gentleman think that the people back home who are protesting against increased taxes will be pleased by this legislation?

Mr. BYRNS. I certainly do not; and I think, if we continue to pass this kind of legislation, somebody will answer for it in November when we go before the people.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. EATON of Colorado. Does not every third-class postmaster mentioned here enter into competition for his appointment, knowing that he has to pay for these things himself?

Mr. BYRNS. Of course he does; and I daresay you gentlemen on this side of the Chamber, who are in political sympathy with the present administration, and therefore who have devolved upon you, probably, the recommendation of applicants to fill those offices, are overwhelmed every time a vacancy occurs by the number of applicants who want it. All of them, as the gentleman from Colorado says, understand what he will have to supply and what their compensation will be when they enter office.

Now, why should we undertake to increase the third-class postmasters in this way? It is said that they buy the equipment and therefore they should have half of the receipts.

Suppose they do? They get a salary based on their receipts, and under the law they are required to furnish their equipment. As the gentleman from Colorado [Mr. EATON] says, they know what they are required to do when they are appointed.

I can not see any possible reason for the passage of this bill increasing, as the Postmaster General says, the expenses of the Government for 1933 and 1934 in the sum of \$1,000,-000 every year.

Now, gentlemen, we have got to call a halt. I am not any more interested in economy than you are.

I heard that great old statesman, Uncle Joe Cannon, say once on the floor of this House that the only way to reduce was to reduce. There is nothing truer in the world. We can not reduce when we come along and pass bills increasing salaries and increasing allowances. For goodness' sake, let us wait until this depression is over and then if you wish give these third-class postmasters this increase, if you think they are entitled to it. This is no time to increase salaries here, when salaries are being cut in various places. I have never up to this time asked for a reduction. I did not ask it last week. All I was asking was that we do not enter upon the policy of increasing salaries. Let me tell you something. A naval officer said last week—and I am not going to call his name—in talking about reductions, that there was no reason why Congress should not, under the present stress of circumstances, temporarily reduce all salaries, and he cited this instance. He said:

I have a brother who took a four years' academic course; then he took a course in theology; now he is the pastor of an Episcopal Church at \$1,800 a year, and his church has cut his salary 10 per cent.

Mr. SWEENEY. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. SWEENEY. In line with the sentiment expressed by the gentleman from Tennessee when he said let us wait until this depression is over, may I ask the gentleman from Tennessee whether he will agree that I submit an amendment to make this act effective July 1, 1934, and reduce the per cent from 50 to 25?

Mr. BYRNS. Of course, that is up to the committee. But why put it into effect now? I do not know what the conditions are going to be then. I do not know whether the tax bill is going to balance the Budget or not, and I do not know whether the tax bill is going to pass or not, or anything of that sort. I do not know what the conditions will be then. However, Congress will be in session a year from now just as it is in session at this time. Why, therefore, undertake to provide that in 1934 this increase shall be made? Let that be decided when Congress comes to it.

Gentlemen, we ought to kill this bill and tell the country we have stopped increasing salaries for the time being; that we are not going to have any more increases in salaries under the present circumstances. [Applause.]

Mr. STAFFORD. Mr. Chairman, I yield five minutes to the gentleman from Alabama [Mr. BANKHEAD].

Mr. BANKHEAD. Mr. Chairman, it had not been my intention to have anything to say with respect to this bill; in fact, I had some assurance from those in charge of the legislation that was going to be proposed to-day that, instead of creating additional charges upon the Post Office Department, the bills contemplated were for the purpose of increasing some legitimate revenues in order to meet the already tremendous deficit in the operation of that department.

I want to submit this for the candid consideration of the members of this committee on both sides of the aisle, because this is not a party question. The deficit that exists in the Treasury of the United States is an actual deficit. I think it is the part of sound statesmanship, looking at it from the standpoint of the immediate future and in the long-range view, that we undertake just as soon as possible to devise some means by which we may balance our National Budget and pay as we go.

Mr. MEAD. Will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. MEAD. In view of the opposition to this bill, and with the gentleman's permission, I would like to withdraw it and call up another bill. [Applause.]

Mr. BANKHEAD. I am very happy the gentleman has determined to do that.

Mr. STAFFORD. Mr. Chairman, I will not use any of the time allotted to me if the gentleman will move that the committee do now rise.

Mr. MEAD. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly, the committee rose; and Mr. BANKHEAD having assumed the chair as Speaker pro tempore, Mr. GLOVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 4602) granting equipment allowance to third-class postmasters and had come to no resolution thereon.

#### TRANSPORTATION OF MAIL BY MOTOR VEHICLE IN LIEU OF BY TRAIN

Mr. MEAD. Mr. Speaker, I call up the bill (H. R. 9636) to authorize the Postmaster General to permit railroad and electric-car companies to provide mail transportation by motor vehicle in lieu of service by train.

The Clerk read the title of the bill.

Mr. MEAD. Mr. Speaker, I ask unanimous consent that this bill may be considered in the House as in Committee of the Whole.

Mr. STAFFORD. Mr. Speaker, this bill was defeated in the last Congress. I object, Mr. Speaker.

The SPEAKER pro tempore. This bill is on the Union Calendar.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 9636, with Mr. GLOVER in the chair.

The Clerk read the title of the bill.

Mr. MEAD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MEAD. Mr. Chairman, in explanation of this bill, permit me to say that the Post Office Department has conducted a survey and is able to furnish fairly accurate figures as to just what effect this bill will have on the appropriations for the department. All this information was not available at the time the bill was discussed here in the last Congress.

This bill grants the department authority to carry the mail on bus and truck lines established by railroads where passenger-train service has been discontinued. If this authorization is not given, it will be necessary for the department to advertise for star-route contract service at an added expense of \$125,000 per annum.

Here is a paragraph from the Postmaster General's report which explains the statement I have just made:

It may be stated that at the present time railroad and electric-car companies are providing satisfactory service by bus or truck over the highways in lieu of service by train at many points throughout the country, and that the total compensation for this service at regular railroad rates is approximately \$250,000 per annum. We have had a recent survey made by our field officers and it is indicated that if the present manner of handling were discontinued and service placed under star-route contracts the additional cost would be approximately \$125,000 per annum.

In many cases railroad and electric-car companies have been forced to discontinue passenger-train service and have substituted service by busses and trucks to those communities that formerly had railroad passenger service.

The Comptroller General has ruled that the Postmaster General is without authority to continue the practice of reimbursing the railroads for carrying the mail under these circumstances, but has permitted the Postmaster General to do so until the beginning of the next fiscal year, after which time the Comptroller General will no doubt require legislative authority. To give the Postmaster General such authority this bill has been reported by our Committee on the Post Office and Post Roads.

Mr. LaGUARDIA. Mr. Chairman, I rise in opposition to the bill.

Mr. Chairman, we had this bill up last year, and I may say to the chairman of the Committee on the Post Office that we had a long debate on it. The bill was defeated on the floor of the House. I do not want to go into details at this time because there is an important measure coming up under a rule and it would not be fair; but I submit to the chairman that a bill of this kind ought to be thoroughly debated.

Gentlemen, this is what it means. It means that the railroads can obtain contracts to carry mail and then sublet them, or carry the mail by bus, and there will be no real competitive bidding between bus lines or between bus lines and railroads, and it will cost the Government more money instead of saving any money. The gentleman from Michigan [Mr. MICHENER] is on the floor and will remember when this bill was up last session. The bill was thoroughly debated at that time and was defeated.

Instead of saving any money this is going to cost more money, because the Government will pay railroad rates for bus transportation, which is cheaper.

Where you have a situation between two points where mail is carried by busses, if we have competitive bidding we will get the lower rate. Bus transportation permits competitive bidding. If a railroad as such obtains the original contract and then carries the mail by busses or sublets the carrying of the mail to some bus line, the Government does not get the benefit of the decreased cost of transportation.

At this late hour we can not go into this matter very thoroughly, but I want to say to the gentleman from New York that it puts many of us in a most embarrassing position. We do not want to use time that has been promised to a great many Members who have a bill in which they are very much interested and about which they are very much concerned, and I wish the gentleman could withdraw this bill. The bill is highly controversial.

Mr. MEAD. I will say to the gentleman from New York we discussed this measure last year, but we did not have an exhaustive report which we now have from the department.

Mr. LA GUARDIA. We had exactly the same bill.

Mr. MEAD. But the department has since made a survey, and they now say it will save the department \$125,000 a year.

I hold no brief for railroads, but let me say to the gentleman there are many places in sections of the country where service is given only by railroads or by bus and truck lines which have been put on by the railroads to render such service.

Mr. LA GUARDIA. Yes.

Mr. MEAD. And I believe if we retain the present rates by preventing the Post Office Department from paying the railroads a rate in excess of the rate they are now receiving to carry the mail we are moving in the right direction.

Mr. LA GUARDIA. Let me say to the gentleman, Why are the busses displacing the railroads? For the simple reason that they are more economical in operation. Here you are providing under the guise of economy permission to the railroads to come in and receive railroad rates for mail transported by the busses, when the busses can operate at a cheaper rate.

Mr. MEAD. This is only where the railroads have established bus service in lieu of passenger-train service.

Mr. LA GUARDIA. Let them get the bus rate then. The transportation of mail is based on capitalization and the cost of operation, and if you compare that with the bus business the bus cost of operation and bus capitalization is so much less, and that is why the railroads can not compete with the busses. But if the Government is to use busses for mail, we should pay bus rates. This bill is not for Government economy but for greater profits to railroads.

Mr. MEAD. The representatives of the Government say that they will save money by this provision. We must take the word of the Postmaster General.

Mr. HASTINGS. Will the gentleman yield?

Mr. MEAD. I will yield five minutes to the gentleman from Oklahoma.

Mr. HASTINGS. Mr. Chairman, I hope the bill will not be withdrawn. This is a most important bill to the West and the agricultural sections. The gentleman from New York may not appreciate the importance of it, but I represent an agricultural section, and I know that a great many trains have been taken off and the people of the smaller towns are deprived of adequate mail facilities. What they are asking for is the carrying of mail by bus when the towns can not be reached by train.

There is nothing in this bill to be alarmed about. The bill does not increase the rates. It provides for no higher rates than that received by the railroads for carrying the mail.

I did not know that this bill was coming up for consideration to-day, but let me say that the railroads have taken off a great many trains in my district. I dare say that in many towns the people are deprived of adequate mail facilities. This bill only gives them the same mail by bus that they have heretofore had by train, and at the same rate and no higher. It is a very important bill to the agricultural sections of the country.

A great many trains over the small lines throughout the country have been discontinued. That is true of a number of counties in my State. The Post Office Department reports that the mail could be carried by bus where the trains had been taken off.

I hope that the gentleman from New York [Mr. MEAD] will not consent to the bill being withdrawn. I know, as well as you do, that if this bill is withdrawn to-day it is dead. Why? Because you can not get a rule for it; it will be regarded as too unimportant to secure a rule for its consideration, and if it is put on the Consent Calendar there will be objections to its consideration. This is Calendar Wednesday, and the call is with the Post Office Committee. This is a very important bill to the agricultural sections and the smaller towns throughout the country visited by busses where trains have been taken off, and where they have no other mail facilities, and where mail can be delivered at no increased cost to the Government.

Mr. LA GUARDIA. There is nothing to prevent busses carrying the mail by direct contract.

Mr. HASTINGS. The bill does not increase the rates; the busses do not get any higher rates for the same service. I can not see any possible objection to the bill, and I sincerely hope the chairman [Mr. MEAD] will insist on its consideration and keep it before the House until we get a vote on it.

Mr. ALLGOOD. Could not the Postmaster General have such mails carried by star route, and give the contract to the lowest bidder?

Mr. HASTINGS. That requires advertising, takes time, and causes delays. There are no star routes connecting many places. In any event, here is a bill that has been reported by the committee and has a favorable report from the Postmaster General. It is in the interest of better mail facilities and at no higher rates, and it ought to receive the favorable consideration of this House. I have always favored adequate mail facilities.

Mr. FOSS. And, in addition, this would only be in effect for the balance of the life of the contract.

Mr. HASTINGS. No longer.

Mr. LA GUARDIA. Will the gentleman show where that is provided in the bill?

Mr. FOSS. A railroad, we will say, has a contract for carrying the mail. Let us suppose that it has already carried the mail for a length of time. They take off the trains, and this bill extends the service by bus.

Mr. LA GUARDIA. The bill should have a proviso that it would apply only to existing contracts. Then it would not be so bad. The trouble is that you are paying more for this service than you should be paying.

Mr. FOSS. But no more than we are paying for the train service.

Mr. LAGUARDIA. No; but you are entitled to a cheaper rate if it is transported by bus.

Mr. HASTINGS. But in the meantime you deny the rural sections adequate mail facilities if you do not pass this bill.

Mr. MEAD. Mr. Chairman, I ask for the reading of the bill.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

*Be it enacted, etc.,* That the Postmaster General is hereby authorized, in his discretion, to permit railroad and electric car companies to provide mail transportation by motor vehicle over highways in lieu of service by train, the compensation for such service to be at a rate not in excess of the rate that would be allowed for similar service by railroad or electric car, payment therefor to be made from the appropriate appropriation for railroad transportation and mail messenger service or electric and cable car service.

Mr. MEAD. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with a favorable recommendation.

The motion was agreed to.

Accordingly the committee rose; and Mr. BANKHEAD having assumed the chair as Speaker pro tempore, Mr. GLOVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 9636) to authorize the Postmaster General to permit railroad and electric-car companies to provide mail transportation by motor vehicle in lieu of service by train.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

The SPEAKER resumed the chair.

#### TEMPORARY RELIEF OF WATER USERS ON IRRIGATION PROJECTS

Mr. BANKHEAD. Mr. Speaker, I rise to submit a unanimous-consent request, but before doing so I shall make a brief explanation. The Committee on Irrigation and Reclamation reported unanimously a bill to the House that is now on the calendar providing for a temporary moratorium in the payment of some of the construction charges. They asked the Committee on Rules for a special rule to consider this bill, which has been granted.

If the unanimous consent which I propose to ask is not granted, it is my purpose this afternoon immediately to ask for the consideration of the rule. This legislation, in my opinion, is clearly emergency legislation, from the facts presented to the Committee on Rules. The emergency consists of the fact that in some sections of the irrigated portions of the country the time has now arrived when the farmers must have water turned on their land before they can begin their crop production. The bill does not involve any expenditure of money out of the Treasury. It is merely asking an extension of payment for this year on 50 per cent of the amount due now and last year. I trust, in order to save time, that Members will agree to a unanimous-consent agreement to take the bill up and consider it in the House at this time.

Mr. O'CONNOR. Mr. Speaker, I reserve the right to object. Are the proponents of the bill willing to put in some interest even for one year?

Mr. BANKHEAD. Mr. Speaker, I think it is proper for me to state this, inasmuch as that inquiry has been made by a member of the Committee on Rules. Negotiations were had in an unofficial way between some members of the Committee on Rules and those responsible for this legislation to see whether the legislative committee reporting the bill would agree to an amendment providing for one year's interest on these deferred charges. I think possibly a tentative arrangement was made by which the sponsors of the bill would make that agreement. However, my friend will recall that when we took final action on the Committee on Rules on this proposition, no agreement was imposed with reference to that matter. Of course, it is an amendment that any member of the Committee of the Whole may offer to the bill.

I can not answer for the sponsors of the bill with reference to what they have in mind.

Mr. O'CONNOR. If the gentleman will yield for a minute, I have been heartily in favor of the bill because of the emergency involved.

Mr. BANKHEAD. That is true.

Mr. O'CONNOR. But as I have maintained all of the time in the Committee on Rules, in good faith some interest should be included in the bill. I am not in sympathy with the proposition that interest should be included for the 25 or 30 years which are involved in this postponement of payment, but I think for this year 1932, during which this payment is not to be collected, at least one year's interest at, say, 3 per cent, should be included.

Mr. BANKHEAD. That has been the consistent attitude of the gentleman from New York. I am not in a position to dispute the equity of it. I trust that matter may be given consideration by the chairman of the committee reporting the bill.

Mr. MICHENER. Mr. Speaker, reserving the right to object, is the gentleman from Georgia, Judge Cox, who has some very definite opinions on this matter, aware that this bill is to be brought up at this time?

Mr. BANKHEAD. Yes; I think so.

Mr. SWING. It is in the Record.

Mr. MICHENER. I am not talking anything about the Record. This matter has been before the Committee on Rules. It was not secret. It was open. It was the judgment of some members of the Rules Committee that interest should be included. This was not in executive session. Then it was found that the gentlemen who were for the bill would rather not have the bill than pay interest, or it was so stated there.

Mr. BANKHEAD. Oh, no.

Mr. SMITH of Idaho. Interest is carried on all delinquent payments under the general law, but this is a bill to give special consideration for one year, 1931, and 50 per cent of the charges for 1932, and we feel that it would be unfair to charge interest on those payments when under the general law the payments that are delinquent have to bear interest.

Mr. MICHENER. Mr. Speaker, further reserving the right to object, has the gentleman from Alabama [Mr. BANKHEAD] read the bill; has he information other than the statements that were made before the Committee on Rules?

Mr. BANKHEAD. I will say that I have given no intensive study to the details of this bill. I did read it when we had it under consideration.

Mr. MICHENER. Like the gentleman from Alabama, I had not read the bill, but long bills of this type are brought before the committee—

Mr. BANKHEAD. Will the gentleman permit me to say that I am inclined to sympathize entirely with the attitude of the gentleman from New York [Mr. O'CONNOR], and I have so expressed myself to the sponsors of this bill.

Mr. MICHENER. My question was if the gentleman understood what the bill provided. As a member of the Rules Committee, I did not. I listened to the splendid statements made by the gentleman from Texas [Mr. THOMASON] and others, but I did not know there was a provision in section 3 which provides for an extension of time for one year for the beginning of construction of drainage on certain projects, and so forth. There are things put in here that do not have a thing to do with emergency relief. Here is a project that has always been a bad one; it has not been a profitable one; it does not pay, and finally, there is a bill enacted here permitting new construction. The terms of the legislation can not be complied with this year. They can not construct, and this bill is brought in giving them permission to have another year in which to begin construction.

Mr. BANKHEAD. The gentleman knows that I am not in any way responsible for the provisions of this bill. We did vote to give them a rule for the consideration of this bill.

Mr. SMITH of Idaho. This is the exact bill that was considered by the Committee on Rules, and that section was in the bill when it was considered.

Mr. MICHENER. When the gentleman appears before the Committee on Rules he should state concisely what his bill contains; he should state all those things and not take an appealing part of the bill only. The Committee on Rules can not read and study all of the details of these bills. We have to rely on what the gentlemen tell us.

Mr. BANKHEAD. Mr. Speaker, I do not care to extend this argument indefinitely. I demand the regular order.

Mr. TABER. Mr. Speaker, I object.

The SPEAKER. Will the gentleman permit the Chair to make a suggestion? The only proposition before the House at the present time is whether or not you will give this bill a privileged status. If there is material opposition to this bill, in view of the fact that we are to have a session to-night, the Chair does not think it would be quite fair to the membership to take it up and run it into a late hour. The only proposition is, Will the House give this bill a privileged status? Then the question is when it will be considered in the House. The Chair understands that the gentlemen who are interested are anxious for early action. Just when the House could consider it in case there is material opposition, the Chair can not state, but if it is given a privileged status, then it would be in the discretion of the Chair when it would be taken up.

Is there objection to giving the bill S. 3706 a privileged status?

Mr. MICHENER. Reserving the right to object, I am not going to object, I want to make this statement. I do think that it is hardly the proper thing to bring a bill of this kind up when everybody who is for the bill is here, and just a scattering 75 Members in the House.

Mr. LA GUARDIA. That always happens. That is nothing new on Calendar Wednesday.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I have no objection to the bill being granted a privileged status, but it is upon the understanding that the bill will not be brought up this afternoon.

The SPEAKER. Upon the assumption that the bill will not be brought up this afternoon, is there objection to giving it a privileged status?

There was no objection.

#### THE LATE JOHN PHILIP SOUSA

Mr. RAINEY. Mr. Speaker, I have been advised that the Senate has messaged over a resolution with regard to the death of John Philip Sousa, and I offer a resolution.

The SPEAKER. The gentleman from Illinois offers a resolution, which the Clerk will report.

The Clerk read the resolution, as follows:

#### House Resolution 171

*Resolved*, That the House has heard with deep regret of the death of John Philip Sousa, late a lieutenant commander in the Navy, who was universally recognized as the world's greatest composer of march music.

*Resolved*, That a committee of five members be appointed by the Speaker of the House of Representatives to join a similar committee on the part of the Senate to attend the funeral of the deceased.

*Resolved*, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. SNELL. Mr. Speaker, I reserve the right to object.

Mr. SMITH of Idaho. Mr. Speaker, a parliamentary inquiry. What is the status now of the bill S. 3706, for which a special rule was granted by the Committee on Rules, and the chairman of that committee is ready to call up the rule?

The SPEAKER. The bill has a privileged status and that is all the rule gave it.

Mr. SMITH of Idaho. The gentleman from Alabama is ready to call up the rule.

The SPEAKER. When the question was put whether or not this bill should be given a privileged status, which was equal to adopting the rule, the Chair thought this was the quicker method. If the gentlemen interested in the bill want to withdraw that, the Chair has no objection. The

Chair was trying to facilitate the passage of the bill, but the Chair does not think the bill could be passed this afternoon.

Mr. SMITH of Idaho. Mr. Speaker, if this bill has a privileged status, I ask for the present consideration of the measure.

The SPEAKER. The Chair will not recognize the gentleman for that purpose. The Chair does not believe at this late hour that it would be fair to the membership to take up a bill of this nature, with the amount of opposition there is to it and with the debate that would be necessary. There would be two hours of debate and that would extend the consideration of the bill to 7 o'clock this evening, with a meeting at 8 o'clock for the consideration of the Private Calendar. The Chair for this reason must decline to recognize the gentleman for that purpose.

Mr. O'CONNOR. Mr. Speaker, I desire to submit a unanimous-consent request. I ask unanimous consent that this bill be considered under an amendment of the rule providing for one-half hour of debate.

Mr. MARTIN of Massachusetts. Mr. Speaker, I object.

The SPEAKER. Gentlemen, we must first dispose of the pending resolution. Is there objection?

Mr. SNELL. Mr. Speaker, I reserve the right to object to make a statement. I am very sorry that this resolution was brought up at this time. I appreciate the services of Mr. Sousa, and in a general way I dislike to object to the resolution; but I think this would be establishing a very bad precedent; and if we start with this resolution, we would have to do the same thing many times in the future. It will be a precedent that will come back to plague us, and for that reason I object.

Mr. SMITH of Idaho. Mr. Speaker, a parliamentary inquiry. If this bill has a privileged status and the Speaker does not wish to recognize the chairman of the committee to call it up this afternoon, would it be possible to call the bill up to-morrow during the morning hour?

The SPEAKER. Let the Chair say to the gentleman from Idaho that the Chair has tried to facilitate the passage of this legislation with all the earnestness possible. The Chair wanted to give the measure a privileged status, and hoped that it could be considered this afternoon, but there has developed some opposition to the bill. Now, in order that the opposition may have a fair opportunity to present their views to the House, it would hardly be just to those gentlemen who are coming back at 8 o'clock to-night to consider bills on the Private Calendar to consider the measure at this time. As to when it can be taken up in the future is a question which the future must decide. Speaking for himself and as the one who can recognize the gentleman to call it up, the Chair hopes it can be taken up at a very early date, but the Chair does not think the advocates of the bill ought to insist on taking it up this afternoon.

Mr. SMITH of Idaho. Mr. Speaker, will it be subject to being called up to-morrow?

The SPEAKER. It could be called up to-morrow if the gentleman could get recognition from the Chair, which the Chair does not now propose to promise.

#### LIMITATION OF INJUNCTIONS

Mr. DOUGHTON. Mr. Speaker, one day last week my colleague the gentleman from North Carolina [Mr. HANCOCK] mentioned to me that he was very deeply interested in the anti-injunction bill (H. R. 5315). At the same time the gentleman stated it was possible that he might be away when the bill was considered, and requested that I pair him in favor of the bill, and also stated that if he were present he would support the measure. In justice to my colleague the gentleman from North Carolina [Mr. HANCOCK], I am making this statement.

#### HOUSE JOINT RESOLUTION 317

Mr. MORTON D. HULL. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record with reference to the joint resolution (H. J. Res. 317).

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MORTON D. HULL. Mr. Speaker, House Joint Resolution 317, introduced by me, making it lawful for the President to proclaim that a conflict exists in violation of, or threatened violation of, the Kellogg pact, and then to prohibit loans or extension of credit to the nation which is engaged in such violation, has two important implications: First, its general effect; second, its application to the present Far Eastern crisis.

The general effect of such a resolution would be greatly to strengthen the peace machinery of the world for the following reason: No President given the authority of this resolution will exercise that authority except in cooperation with the other nations. Although the resolution does not explicitly so provide, it would in actual practice be a multilateral undertaking. It would enable our State Department to confer with the other nations in a crisis. If it should seem advisable to the group to take the action provided for in this resolution, then the nations could vote to do so, knowing that the representative of the United States would have the backing of the administration, which in turn would have the power to put into effect the policy voted.

As it is now, there is no one who can speak with any authority at such a conference as to what the United States will do. Any action determined on by the nations can not be followed by the United States without congressional action. This situation is a very serious handicap to international action, and it would be at least partly removed by the passage of this resolution.

The second point is the relation of the resolution to the present crisis. If this resolution should be passed promptly, it would give Japan great cause to pause in her apparent policy of overrunning China in flagrant violation of the Kellogg pact.

It would work something like this: All the nations are loath to consider an economic boycott on Japan. Moreover, if they did consider it, there is no telling what the United States will do. The other nations could not take such action without us, and we ourselves can not say what we would do.

But the proposed resolution would make easy a practical, simple form of international action not so severe as an economic boycott, with no uncertainty of application or possible encounter that would lead to war, no unfavorable reaction on the nations taking the action, and yet very powerful in its psychological and actual effect on Japan. If the assembly of the league now meeting should vote to withhold loans or credit to Japan, with the United States concurring, such action would be a positive, definite step making it clear to the Japanese people that practically the whole world condemns their policy. That would be very important psychologically. Moreover, there are many, many things that Japan needs to carry on such campaigns as she seems to be contemplating in China and Manchuria.

These can not be secured in any quantity except by credit. Her credit would be cut off. Her exports to China have already dropped to about 20 per cent of what they were a year ago. Her exports of silk to us are dropping; she could pay for the things she needs in gold, and her gold is fast disappearing.

Of course, by internal loans and by local manufacture of munitions, Japan could keep up some sort of military campaign for some time even if her foreign credit were shut off. But such course would be a struggle against overwhelming odds with the whole world lined up against her, not in a military way, not even in any physical blockade or prohibiting of shipments of goods, but simply by the stopping of credit. The effect would be very great in making it evident to the Japanese people that they are being led astray by their military leaders.

#### SCHOOL SUPERINTENDENTS AND THE EIGHTEENTH AMENDMENT

Mr. REILLY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. REILLY. Mr. Speaker, there recently came to my desk a circular containing a resolution adopted by the school superintendents of our country at their convention held several days ago in Washington, on law enforcement and the eighteenth amendment.

This circular, a copy of which was received by all the Members of this House, contained large headlines, which read as follows: "Educators back eighteenth amendment."

A few days ago one of the militant defenders, if not the most militant defender of the eighteenth amendment in this House, the distinguished gentleman from Texas [Mr. BLANTON] took occasion to call to our attention the said resolution as a protest by the school superintendents of our country against the movement in this House to ask a vote on the proposed amendment to the eighteenth amendment.

This superintendents' resolution, that is alleged to approve the eighteenth amendment and has brought joy to the hearts of the friends of the eighteenth amendment reads, as follows:

The department of superintendence urges teachers to continue to impart respect for the Constitution of the United States and for all of its various amendments. We urge the continued vigorous and impartial enforcement of the entire Constitution of the United States as the supreme law of the land, and we reaffirm our belief in the principles of the eighteenth amendment and in the habits of life and conduct which it is intended to inculcate.

I must confess my inability to find in the said resolution any condemnation or censure of the efforts of this House to bring before this body for debate a proposal to amend the eighteenth amendment so as to give the States of this Union the right to regulate or prohibit the liquor traffic within their own borders.

The declaration by the school superintendents in favor of the vigorous and impartial enforcement of the entire Constitution of the United States as the supreme law of the land certainly contains no commendation of the eighteenth amendment.

The American Bar Association, that has come out in favor of the repeal of the eighteenth amendment, is also strongly in favor of the continued vigorous and impartial enforcement of the entire Constitution of the United States as the supreme law of the land.

Seven members of the Wickersham Commission in their individual reports condemned the eighteenth amendment as unworkable and affirmed their belief that the amendment should immediately be repealed or amended so as to permit States that desired traffic in intoxicating liquor to have it under congressional supervision, and yet these same opponents of national prohibition strongly affirmed their belief in favor of the strict and vigorous enforcement, not only of the Constitution of the United States but of all its amendments, including the eighteenth amendment until it was amended or repealed.

The affirming of the school superintendents' belief in the principles of the eighteenth amendment and the habits of life and conduct which it is intended to inculcate, likewise is no statement on the part of these educators that they are at the present time in favor of national prohibition or opposed to the efforts being made in this House to submit to the people of the country an amendment for its repeal or amendment.

Millions of American citizens who believe in the principles of the eighteenth amendment and approve the habits of life and conduct which it was intended to inculcate and who were at one time in favor of the eighteenth amendment have now joined the army of American citizens who are demanding its amendment or repeal.

This change of attitude on the part of such a large body of our citizens is not due to the fact that they do not agree with the affirmations of these educators in this particular resolution, but because they are now convinced that the eighteenth amendment has dismally failed to develop the habits of life and conduct which it was intended to inculcate; that the amendment has not been enforced and can not be enforced in our country.

This organization of school superintendents has been meeting annually for a great many years. At its meeting in

Detroit in February, 1931, was the first time it passed a resolution specifically pertaining to the eighteenth amendment.

The Wickersham report that gave to national prohibition a blow from which it has not recovered and never will recover, was given to the public on January 20, 1931. The convention of superintendents assembled in that year on February 20, 1931, and passed the following resolution relative to the eighteenth amendment:

We reaffirm our belief in the eighteenth amendment as the most effective means yet devised to curtail the distribution and use of alcohol.

This is the way the resolution reads in the report of the proceedings of this meeting of the superintendents. It is quite manifest that the printer or somebody made a mistake and that the resolution was intended to read:

We affirm our belief in the eighteenth amendment as the most effective means yet devised to curtail the consumption and use of intoxicating liquor.

It is altogether probable that these superintendents at that time had learned nothing more about the Wickersham report than what they gathered from the misleading newspaper headlines as to what the report contained.

It is also probable that at that convention the friends of prohibition were frantically appealing to these educators to do and say something about national prohibition that would tend to offset the findings of the Wickersham Commission that national prohibition had proven a failure.

One year later, February, 1932, these superintendents came together again in their annual convention. During this year the eighteenth amendment was being enforced not by the Treasury Department, but by the Department of Justice, a change that it was claimed would revolutionize the situation in this country as to the workings of the eighteenth amendment.

Now, what happened? Would these superintendents reaffirm their belief in the eighteenth amendment as they did a year before, although they said but little at that time in favor of the eighteenth amendment? No; apparently the new enforcement régime had not bettered the situation as far as the superintendents viewed the results, and possibly many of the superintendents had read and studied the Wickersham report in the meantime and had learned what the report had really done to national prohibition.

Anyway, these superintendents could not be brought to repeat even the little that they had said in favor of prohibition in 1931 and dropped the prohibition question by affirming their belief in the principles of the eighteenth amendment and in the habits of life and conduct which it is intended to inculcate. They studiously avoided commending the eighteenth amendment on its record even feebly as they did in 1931. They had nothing to say for or against the wisdom of resubmitting the eighteenth amendment to the people of this country again through a new amendment to the Constitution.

They evidently were sorry and regretted very much what they had been led to say in praise of the amendment in 1931 and would not go one step farther than to deal with ancient history as far as the eighteenth amendment was concerned, and that was to reaffirm their belief and approve of what the amendment was intended to do but unfortunately has not done for our country.

Other resolutions adopted by our school superintendents during the past few years are interesting as throwing some light on the actual workings of national prohibition in our country. In 1923, three years after the adoption of the eighteenth amendment, this organization of educators urged teachers to inculcate obedience to established law.

In 1924 this organization says:

We recognize that our civilization is in danger of being undermined by the failure of our people to observe the laws of our country and the communities in which they live.

In 1927 this same organization urges teachers to teach respect for law and order.

Not until the eighteenth amendment was written into the Constitution of the United States did these educators feel concerned about disobedience to law and feel compelled to

urge upon the teachers of this country the necessity of teaching respect for law. Such action on the part of our school superintendents was rendered necessary by the growing disrespect for law in our country that began to develop about one year after the commencement of our national prohibition era.

Of course, the great question before the people to-day is not as to the principles of the eighteenth amendment or to the pious reforms it was intended to accomplish in this country but rather how has it worked out; in other words, what are the fruits of national prohibition?

When the members of this House vote on next Monday to discharge the Judiciary Committee from a further consideration of an amendment to repeal the eighteenth amendment, they will not be voting on theory and promises, but they will be voting as they view the cold facts indicating the complete breakdown of national prohibition.

Of course, this resolution on the eighteenth amendment recently adopted by our school superintendents in Washington was sent to the Members of this House by the prohibition advocates for propaganda purposes.

Its large headlines were intended to deceive the casual reader and to intimidate some of the Members of this House who have yet to reach a decision as to how they will vote when the proposal to amend the eighteenth amendment comes before this body for consideration. It will fail of its purpose, because the misrepresentation and deception will be detected.

The friends of national prohibition may continue their propaganda; they may continue to misrepresent in headlines in the public press the contents of reports and resolutions concerning the eighteenth amendment, but their efforts will be in vain.

American public opinion as regards our liquor problem is on the march toward the goal of a restoration of this problem to the various States for solution. The foolish attempt to regulate the social lives of our peoples by law under one standard has proven to be a dismal failure.

#### RECESS

Mr. RAINEY. Mr. Speaker, I move that the House do now stand in recess until 8 o'clock this evening.

The motion was agreed to; accordingly (at 4 o'clock and 48 minutes p. m.) the House stood in recess until 8 o'clock p. m.

#### EVENING SESSION

The recess having expired, the House was called to order by the Speaker pro tempore, Mr. BANKHEAD.

The SPEAKER pro tempore. Under the unanimous-consent agreement heretofore entered into, the House is in session until 10.30 p. m. for the purpose of considering bills on the Private Calendar unobjected to, beginning at the double star.

#### STATEMENT ON ANTI-INJUNCTION BILL

Mr. HARLAN. Mr. Speaker, I ask unanimous consent to speak for half a minute out of order to correct an item in the RECORD.

The SPEAKER pro tempore. Under the unanimous-consent agreement the time is to be devoted exclusively to the Private Calendar.

Mr. STAFFORD. I think the gentleman had better take that up in the morning.

Mr. BLANTON. If it does not affect the Journal, the gentleman has the right to correct it at the desk.

The SPEAKER pro tempore. The gentleman from Ohio only desires to make a brief statement. Is there objection? There was no objection.

Mr. HARLAN. Mr. Speaker, this has reference to the roll call on the LaGuardia bill. I had a speaking engagement yesterday evening when the vote was taken on the anti-injunction bill, and it was practically impossible for me to be present. However, it was apparent in the House that nearly everyone was in favor of the bill and there was no possibility of its defeat. I found to-day that I was paired with the gentleman from Ohio [Mr. LAMNECK], but it was later announced by the gentleman from Illinois [Mr. RAINEY]

that Mr. LAMNECK was in favor of the bill, and on the record it looks as if I were opposed to the bill. I wish to say that if I had been present I should have voted for the bill, and that if there had been the slightest chance of the defeat of the bill I would have been present regardless of any engagement.

C. M. WILLIAMSON ET AL.

The Clerk read the first bill on the Private Calendar, H. R. 4391, for the relief of C. M. Williamson, Mrs. C. E. Liljenquist, administratrix, Lottie Redman, and H. N. Smith.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Reserving the right to object, I would like to have some explanation from the author of the bill.

Mr. SMITH of Idaho. Mr. Speaker, in view of the fact that this bill has twice passed the Senate, has been twice favorably reported by the House committee, and the further fact that one of the claimants is sitting in the gallery, where he has been sitting through four consecutive sessions of Congress waiting for a hearing, I ask unanimous consent that I may make a brief statement.

Mr. STAFFORD. I yield to the gentleman for that purpose.

Mr. SMITH of Idaho. This bill is for the relief of four settlers on the Fort Hall irrigation project who entered into a contract, along with other people on this project, with the Government to place water on their land.

When the project was under construction and the laterals were being laid out, it was found that these people lived on a small rise in the land, which made it impossible to bring the water by gravity to the land.

Consequently, while waiting for the Government to fulfill its contract, they purchased an electric pump and pumped the water on the land for nine years, and when the Commissioner of Indian Affairs on reconsideration concluded that the contract required that water be placed on the land, water was placed on the land without additional expense to the settlers.

During the time that they were having to pump the water the settlers paid for the annual operation and maintenance charges required of all water users and, in addition, incurred expense of buying a pump, and paying monthly for the electric power to pump the water.

They come now to Congress, because there is no other tribunal to hear their case, and they appeal to Congress to reimburse them for the amount of money they expended in bringing water to the land which the contract required the Government to do.

Mr. BLANTON. Will the gentleman permit me to ask a question?

What is the gentleman going to say to the House about this adverse report by the Secretary of the Interior, which says that the facts in this case do not place the Government under any obligation to pay these landowners the sums expended by them in constructing and operating pumping machinery for their own private benefit? The Secretary recommends that the bill do not receive favorable consideration. That comes from the Secretary of the Interior, and the gentleman from Idaho, who is a strict party man—and I admire him for that—must have seen in the paper this morning the castigation that the President has given Congress for not taking steps to reorganize matters and stop extravagance and expenditures where they ought to be stopped.

This bill involves over \$8,000. If this is a just debt, it ought to be paid, but the Secretary of the Interior who has had charge of the whole matter, who made the contract with these people, who knows more about it than anybody else, who has his men on the ground, says it is not just, says there was no obligation on the part of the Government to refund these people for furnishing a pump for their own private benefit, and he recommends that the Congress do not pass it. What are we going to do in a case like that?

Mr. SMITH of Idaho. But the reason we come to Congress for relief is because the Secretary of the Interior takes that position. We contend that the Congress is superior to the Secretary of the Interior in a matter of this kind.

Mr. BLANTON. There is just as much responsibility resting on the shoulders of the gentleman from Wisconsin [Mr. STAFFORD] and the other members of the Republican administration to stop the waste and to balance the Budget as there is on anybody else.

Mr. STAFFORD. The reservation of objection has been made. Mr. Speaker, I have gone over this most carefully and for the reasons set forth in the letter of the Commissioner of Indian Affairs dated June 8, 1929, I feel constrained to object.

Mr. SMITH of Idaho. Has the gentleman read the contract which is printed in the report between the Government and these individuals, wherein the Government agreed to deliver water to these lands?

Mr. STAFFORD. I read the copy of the contract as set forth on pages 2 and 3. I object.

CAPT. W. B. FINNEY

The next business on the Private Calendar was the bill (H. R. 1296) for the relief of Capt. W. B. Finney; and there being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he hereby is, authorized and directed to pay to Capt. W. B. Finney, of 920 Grand Avenue, Kansas City, Mo., the sum of \$479.14, out of any money in the Treasury not otherwise appropriated, to reimburse him for money paid out by him in line of his duties as captain Company A, Seventieth Regiment United States Infantry, Camp Funston, Kans.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

HEIRS OF THOMAS G. WRIGHT

The next business on the Private Calendar was the bill (H. R. 1996) for the relief of the heirs of Thomas G. Wright.

The SPEAKER pro tempore. Is there objection?

Mr. ALLGOOD. Mr. Speaker, this is a Civil War bill, and as chairman of the Committee on War Claims I ask unanimous consent that the bill be recommitted to the Committee on War Claims for further consideration.

The SPEAKER pro tempore. Is there objection?

Mr. BLAND. Mr. Speaker, I reserve the right to object.

Mr. STAFFORD. Mr. Speaker, I wish it understood that there is a reservation of objection to the consideration of the bill.

The SPEAKER pro tempore. The gentleman from Virginia is recognized.

Mr. BLAND. Mr. Speaker, this bill has passed the House on one occasion. It has been before the House, reported favorably from the committee, on two occasions. In the last Congress it was rejected. Having been placed now in a status for passage, I do not feel that I ought to permit the request to recommit to be granted. Is the gentleman going to object to the consideration of the bill?

Mr. ALLGOOD. This is a Civil War bill, and it inadvertently came out on the calendar from the old Congress. I want to put it on all fours with Civil War matters. I should have to object.

Mr. BLAND. This party has been waiting a long time for the settlement of his claim.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama that the bill be recommitted to the Committee on War Claims?

Mr. BLAND. Is the gentleman from Wisconsin going to object to the consideration of the bill?

Mr. STAFFORD. Yes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

MAJ. LESTER L. LAMPERT

The next business on the Private Calendar was the bill (H. R. 2572) for the relief of Maj. Lester L. Lampert.

The SPEAKER pro tempore. Is there objection?

Mr. COLLINS. Mr. Speaker, I object.

Mr. REILLY. Mr. Speaker, will the gentleman reserve the objection?

Mr. COLLINS. Yes.

Mr. REILLY. This bill was first introduced by the late Florian Lampert for the relief of Major Lampert. It was passed by this House in the Seventieth Congress and has been passed by the committee twice. It is recommended by the War Department. There is no doubt at all about the liability of the Government for the damages which this officer suffered by the destruction of his own personal property in a cyclone in Texas while he was engaged in saving Government property.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. COLLINS. Yes.

Mr. BLANTON. My investigation of this case shows that this officer did save property for the Government and did splendid service. The claim is for less than \$500. I do not know whether my friend from Mississippi was closely associated with the late Florian Lampert or not. I was. He was one of the hard-working men of Congress. While I differed with him many times on policies while on the District Committee, yet I must say that there was not a more sincere, earnest, hard-working man in Congress than Mr. Lampert.

Mr. COLLINS. For the benefit of both of the gentlemen who have spoken for this bill, I will state that the War Department appropriation bill carries items of appropriation that could be applied to the payment of any claim for damages, provided the damages accrued while the man was actually engaged in saving Government property himself. This case must fall without that rule; otherwise it would have been paid prior to this time.

I have made it a rule to object to all bills of this particular type. If an officer, either in the Army or the Navy, wants protection against fire or cyclone, he can protect himself by taking out insurance, just like the gentleman can, or just as I would have to do. I do not see any reason for singling out Army and Navy officers and protecting them against loss by fire or by cyclone or against damages when they can protect themselves by the exercise of ordinary business judgment by taking out insurance as other citizens are required to do.

Mr. REILLY. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. The Chair desires to state that if a bill is objected to it remains on the calendar.

Mr. STAFFORD. Mr. Speaker, I object.

IDA E. GODFREY

The Clerk called the next bill on the Private Calendar, H. R. 3033, for the relief of Ida E. Godfrey and others.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, this bill has been before the House of Representatives for a long time. The report of Secretary Weeks back in 1923 was not very favorable to the merits of the claim that this cranberry bog was set on fire by a Government locomotive. I will be glad to have the gentleman reporting the bill make further explanation as to the merits.

Mr. SINCLAIR. I will say to the gentleman that I reported this bill, and that by supplemental evidence before the committee after the report of Secretary of War Weeks was made I think it was very clearly proven that the locomotive operated by the Government did cause the fire and was responsible for the destruction of this bog.

Mr. STAFFORD. One of the evidentiary facts that inclined me to the opinion that it was not caused by a spark from the Government locomotive was that there was a space of more than 300 yards between the burned portion and the railroad tracks which were not affected at all.

Mr. SINCLAIR. That is in the first report made by the Army engineer, by those who were responsible for the fire, but it was proven to the satisfaction of the committee that there was not that space and that the fire did not jump that space, but that it ran right straight across.

Mr. STAFFORD. Upon the statement of the gentleman that later testimony showed that the facts which were before the Secretary of War when he wrote his report in 1923 were not correct, I will withdraw the reservation of objection.

Mr. BLANTON. Mr. Speaker, we want it understood, as it has always been understood, that where a bill has been reduced by a committee amendment the amendment is always to be accepted, and that there will be no attempt to override the committee amendment and still pass the bill in its original form.

Mr. SINCLAIR. I understand that has been the custom.

Mr. BLANTON. With that understanding, I shall not object.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ida E. Godfrey, of Cookstown, N. J., the sum of \$750, to the estate of Annie L. Davis, of Wrightstown, N. J., the sum of \$500, to Thomas N. Emley, of Cookstown, N. J., the sum of \$750, damages by fire on June 11, 1921, to certain cranberry bogs adjacent to the rifle range at Camp Dix, N. J.

Mr. STAFFORD. Mr. Speaker, I offer an amendment, which is at the desk.

The SPEAKER pro tempore. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: At the end of the bill insert the following:

*"Provided,* That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

W. J. SHIRLEY

The Clerk called the next bill on the Private Calendar, H. R. 3265, for the relief of W. J. Shirley.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. COLLINS. Reserving the right to object, Mr. Speaker, from a reading of the committee's report, this claim should be \$60.77 instead of \$100. If the gentleman who introduced it is willing to amend it to comply with the amount recommended by a board of officers who made a thorough examination and recommended \$60.77, I shall not object. Otherwise, I will.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to W. J. Shirley the sum of \$100 in reimbursement for value of his personal property destroyed by fire in the military service of the United States at Brest, France, on the 21st day of July, 1919, and for which loss he was in no wise responsible.

Mr. COLLINS. Mr. Speaker, I offer an amendment, which I have sent to the desk.

The Clerk read as follows:

Amendment offered by Mr. COLLINS: Line 6, strike out "\$100" and insert in lieu thereof "\$60.77."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

OSCAR C. OLSON

The Clerk called the next bill on the Private Calendar, H. R. 3566, for the relief of Oscar C. Olson.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of the Treasury of the United States, from any money not otherwise appropriated, to Oscar C. Olson, the sum of \$52.50, being compensation for loss on May 23, 1918, of his personal effects, baggage, and clothing while en route to France on the British ship *Moldarra*, under military orders, when said ship was torpedoed and sunk in the English Channel.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

GUY GOODIN

The Clerk called the next bill on the Private Calendar, H. R. 3568, for the relief of Guy Goodin.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Guy Goodin, late of the construction division, Quartermaster Corps, the sum of \$484.50 as per diem allowance from September 26, 1919, to June 9, 1920, while on duty at McAllen, Tex., in the service of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

CLARA E. WIGHT

The Clerk called the next bill on the Private Calendar, H. R. 3580, for the relief of Clara E. Wight.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, what is the policy of the committee in recommending a lump-sum appropriation to the mother of this former employee of the navy yard?

Mr. SINCLAIR. The mother would have been dependent upon this young man had he not died. The policy of the War Claims Committee is to allow a certain amount in cases of that kind.

Mr. STAFFORD. At the time of the death of the injured employee the widow was living, and for some time she drew the compensation as authorized by the compensation act.

In this case you are not voting any regular monthly allowance as authorized by the compensation law, but you are voting a lump-sum appropriation.

Mr. ALLGOOD. This is insurance. Instead of the full amount of insurance, \$5,000, this is the balance due on the insurance.

Mr. STAFFORD. Is there anything in the report which supports that position?

Mr. ALLGOOD. Yes.

Mr. STAFFORD. Where in the letter of the Secretary of the Navy does it appear that this is insurance?

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, I have reserved the right to object in order to get information.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, I object.

HARRIET M. MACDONALD

The Clerk called the next bill, H. R. 3703, granting compensation to Harriet M. MacDonald.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. EATON of Colorado. Mr. Speaker, reserving the right to object, I want to ask the author of the bill whether he will consent to an amendment in line 7 striking out the words "and insurance benefits"?

Mr. BOLTON. I will be glad to accept such an amendment.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That notwithstanding the provisions of section 200 of the World War veterans' act, 1924, as amended, the Administrator for Veterans' Affairs is authorized and directed to pay to Harriet M. MacDonald, formerly a nurse, such compensation and insurance benefits, effective October 31, 1929, as she would have been entitled had she been an American citizen at the

time of her embarkation with the American Expeditionary Forces; and that she be entitled to hospitalization and such other benefits provided in the veterans' acts for members of the Nurse Corps.

Mr. EATON of Colorado. Mr. Speaker, I offer an amendment. On page 1, in line 7, strike out the words "and insurance benefits."

The SPEAKER pro tempore. The gentleman from Colorado offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. EATON of Colorado: Page 1, line 7, strike out the words "and insurance benefits."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

CLARA E. WIGHT

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent to return to Private Calendar No. 152, H. R. 3580, for the relief of Clara E. Wight, a bill to which I just objected.

The SPEAKER pro tempore. The gentleman from Wisconsin asks unanimous consent to return to the bill referred to by him. Is there objection?

There was no objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, the author of the bill informs me—which confirms the statement made by the gentleman from Alabama—that these are insurance funds; that the widow obtained a certain amount, and that the \$3,360 is the balance due on the \$5,000 policy. It is shown, though not very clearly, in the letter of the Secretary of the Navy that the claimant did not put in her application until the statute of limitations had run.

Mr. ALLGOOD. That is right.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Clara E. Wight the sum of \$3,360 in full compensation for the death of her son, Ralph L. Wight, who was a civilian employee of the Navy, and was overcome by gas and burned while working in submarine S-44 at the navy yard, Portsmouth, N. H., on January 10, 1919, as a result of which he died January 15, 1919.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

HERMAN H. BRADFORD

The Clerk called the next bill, H. R. 4039, for the relief of Herman H. Bradford.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. COLLINS. Mr. Speaker, reserving the right to object, the committee makes its report on this bill recommending that \$451.55 be paid this claimant, but the bill has never been amended by the committee reducing the amount from \$1,348.10 to that amount. In other words, the bill as proposed here does not carry out the recommendation of the committee.

Mr. HOUSTON of Delaware. Mr. Speaker, I have no objection to such an amendment.

Mr. BLANTON. Mr. Speaker, I will further state to our friend that the usual attorney's fees clause should be added at the end of the bill, and I shall offer such an amendment.

Mr. HOUSTON of Delaware. I have no objection.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Herman H. Bradford, late No. 1747092, private, Company G, Three hundred and twelfth Infantry, United States Army, out of any money in the

Treasury not otherwise appropriated, the sum of \$1,348.10, said sum to be in full and final settlement for his services in said Army from March 31, 1918, to July 2, 1921, and from March 23, 1928, to June 25, 1928, and for loss of clothing and money taken from him at Fort Du Pont, Del., and not returned, about March 23, 1928.

Mr. COLLINS. Mr. Speaker, I offer the following amendment: On page 1, line 8, strike out "\$1,348.10" and insert "\$451.55."

The SPEAKER pro tempore. The gentleman from Mississippi offers an amendment, which the Clerk will report. The Clerk read as follows:

Amendment offered by Mr. COLLINS: In line 8, strike out the figures "\$1,348.10," and insert in lieu thereof the figures "\$451.55."

The amendment was agreed to.

Mr. BLANTON. Mr. Speaker, I offer an amendment which was suggested by the committee. In line 9, strike out the words "to July 2, 1921."

The SPEAKER pro tempore. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: In line 9, after the figures "1918," strike out "to July 2, 1921."

The amendment was agreed to.

Mr. BLANTON. Mr. Speaker, I offer another amendment. In line 10, strike out up to the comma following "June 25, 1928," and insert in lieu thereof "to February 7, 1919."

The SPEAKER pro tempore. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: In line 10, after the figures "1928," strike out "to June 25, 1928" and insert in lieu thereof "to February 7, 1919," so that as amended it will read, "said sum to be in full and final settlement for his services in said army from March 31, 1918, to February 7, 1919."

The amendment was agreed to.

Mr. BLANTON. Mr. Speaker, I offer the usual attorney's fees amendment.

The SPEAKER pro tempore. The gentleman from Texas offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: In line 12, after the figures "1928," strike out the period, insert a colon, and add the following:

"Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

META DE RENE M'LOSKEY

The Clerk called the next bill on the Private Calendar, H. R. 4199, for the relief of Meta De Rene McLoskey.

Mr. SCHAFER. I object, Mr. Speaker.

Mr. LUDLOW. Mr. Speaker, will the gentleman withhold his objection?

Mr. SCHAFER. I reserve an objection.

Mr. LUDLOW. Mr. Speaker, among the thousands of cases that have engaged the humanitarian activities of the American Legion I am sure I am quite right in saying that none is closer to the heart of the Legion than this particular case. This is the case of a boy who disappeared from the face of the earth in 1918, and there is every reason to believe he died at that time. This is a bill to give his mother the benefit of his insurance which was in force at the time of his disappearance and which was paid up until several months after his disappearance.

Capt. Watson B. Miller, whom we all know, representing the American Legion, and who, I am sure, has our entire respect, is so much interested in this case that he gave me a statement, with the privilege of reading it to the House, and I should like to do that. Captain Miller says:

The documentary evidence in the case, consisting to some extent of letters from the boy to his mother immediately after entering the service, nowhere gives a picture of a man who would desert and step out of his responsibilities and away from his relatives. I have seen several hand-written letters from the veteran expressive of loyalty and love, as well as patriotism. I can't set up the contention that I believe this boy was killed in France, although there is in the picture a possibility that he went over with the identification tags of some other soldier and, for all I know, he may be buried there under another name.

It is an extremely baffling case. The mother and father are aged and I am truly of the opinion that justice would be served by the approval of a statute granting the Government insurance to the beneficiary. I have in my possession the great amount of minutiae and correspondence concerning the effort to locate this boy or to ascertain his fate. I can't prove that he was killed or died while his policy was current as to premium payments, but after an experience of 10 years in contact with hundreds of thousands of cases which pass over our desks here, I can't believe that he deliberately deserted the service. I am deeply convinced that there are some strong considerations of equity involved in the situation.

In this connection, may I please say that, having headed up the effort for the disabled on the part of the American Legion very nearly since the beginning, I have never seen fit to attempt to advocate more than half a dozen special measures for relief of veterans or veterans' dependents. Of course, there are many hundreds of claims as to which we can not secure settlement administratively, and I might ask for legislative consideration for many of them, but it has not been my policy to do so.

This case has enlisted my deep interest and sympathy. I truly think that no violence would be done by permitting the bill to pass. It is unnecessary for me to tell you that I have no relationship or even close contact with the mother of this soldier. In point of fact, I have never seen her.

So Captain Miller, who goes into these cases with the most extreme care, and whose services to humanity merit our highest tribute advocates the passage of this bill and enumerates it as among six, and only six, in his long and useful career that he has brought to the attention of Congress.

Mr. SCHAFER. Will the gentleman yield there?

Mr. LUDLOW. I yield.

Mr. SCHAFER. The records show that this man entered the military service on March 29, 1918, and disappeared while assigned to a station in this country on May 7, 1918.

Mr. LUDLOW. That is right.

Mr. SCHAFER. He was in the service about 40 days and the gentleman and Capt. Watson Miller ask the Congress to vote out of the insurance fund in which all of the veterans carrying insurance are interested \$10,000, without one scintilla of evidence indicating that this man is not a deserter. Would the gentleman be willing to pass general legislation paying \$10,000 war-risk insurance in the case of every veteran carried on the records of the War, Navy, and Marine Corps as deserters because they had disappeared and seven years have elapsed since their disappearance?

Mr. LUDLOW. I will say to the gentleman that if his insurance was in force at that time, as the record shows it was, the time he was in the service is not the controlling factor. Furthermore, there is not a scintilla of evidence in the entire record to show that this soldier was a deserter. There is every reason to believe he died in May, 1918.

Mr. SCHAFER. Mr. Speaker, this is the most indefensible bill I have ever seen on this Private Calendar. The last argument of the gentleman could with equal force be applied to every veteran or member of one of the regular establishments who disappeared and is now carried on the records as a deserter.

JOLIET NATIONAL BANK, COMMERCIAL TRUST & SAVINGS BANK, AND H. WILLIAM, JOHN J., EDWARD F., AND ELLEN C. SHARPE

The Clerk called the next bill on the Private Calendar, H. R. 4355, for the relief of Joliet National Bank, Commercial Trust & Savings Bank, and H. William, John J., Edward F., and Ellen C. Sharpe, of Joliet, Ill.

Mr. BLANTON. Mr. Speaker, reserving the right to object, I want to call attention to the report made by the Shipping Board.

The report states that the claim of the Joliet National Bank, and so forth, has been rejected repeatedly; in fact,

both the War Department and the Shipping Board granted rehearings and gave them every opportunity to submit facts and arguments; and it goes on to show that there is no merit in this claim, Mr. Speaker; this bill seeks to take out of the Treasury \$86,163.21, and I object.

Mr. COX. Will the gentleman withhold his objection?

Mr. SINCLAIR. Will the gentleman from Texas reserve his objection?

Mr. BLANTON. Certainly; for the gentleman to speak. But I shall object, as this \$86,163 should not be taken from the Treasury.

Mr. SINCLAIR. I will say to the gentleman this bill has been given very careful hearings, and the evidence shows conclusively that this old man, Sharpe, went to the two banks and borrowed money at the instance of the War Department.

Mr. BLANTON. I will state to my friend that the War Department gave a careful hearing and it gave a careful rehearing, and turned it down once and then turned it down twice. The Shipping Board has given a careful hearing and a careful rehearing.

Mr. SINCLAIR. If the gentleman will permit, the only time they turned it down once was when it was improperly before them.

Mr. BLANTON. It first turned it down and then granted them a rehearing and then turned it down again.

Mr. SINCLAIR. I had not heard about that.

Mr. BLANTON. And the War Department turned it down and gave a rehearing and turned it down again.

Mr. SINCLAIR. The evidence in the matter discloses that a representative of the War Department went with this man to the two banks and helped him to borrow \$25,000 from one bank and \$15,000 from another bank in order to enlarge his plant and take on contracts to manufacture forgings at the instance of the department.

Mr. COX. Will the gentleman from Texas yield?

Mr. BLANTON. Certainly.

Mr. COX. I want to say that in spite of the finding of the War Department this is a just claim and one that ought to be paid, because the agents of the Government, if the gentleman will take the time to examine the records in the case, blackjacked this bank and these others into the making of these loans to this concern which they had threatened to take over unless they enlarged their plant.

Mr. BLANTON. I will state to my friend that I regret it very much, but I shall be compelled to object.

Mr. COX. There have been a number of hearings held and they have arrived at the conclusion embodied in the report, after becoming fully advised of the action taken by the War Department.

Mr. BLANTON. I am a personal friend of the author of this bill, but I must object.

Mr. SINCLAIR. As a matter of fact, I may say to the gentleman from Texas, the bill passed both Houses, but failed of enactment on account of the jam at the end of the session.

Mr. BLANTON. I will admit that I am the objection goat.

Mr. COX. The gentleman was picked out last year.

Mr. BLANTON. I regret to object, but we should not let this bill pass.

Mr. COX. The author of the bill is ill and can not be here to-night. In view of that fact, will not the gentleman ask that the bill go over?

Mr. BLANTON. No. I must object.

Mr. O'CONNOR. Mr. Speaker, I object.

THE CONCRETE STEEL CO.

The Clerk read the next bill on the Private Calendar, H. R. 4407, for the relief of the Concrete Steel Co.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Reserving the right to object—

Mr. SOMERS of New York. Let me say to the gentleman that this seems to me to be a perfectly proper claim. It has been before Congress for some time. The gentleman from South Carolina [Mr. HARE], a good attorney, has given it careful consideration. These people had a contract to fur-

nish steel to the Caldwell-Marshall Co. That company went into bankruptcy. The material was furnished them to use in the construction of barges for the Government.

Mr. STAFFORD. In reading the report I was influenced by the fact that they entered into an adjustment with the Government for the settlement of this claim. The attorney was present. The Government made a settlement, and as evidenced by a letter from the Director General of the Railroad Administration, they settled it for \$30,000, and this claimant received his portion of that amount in full settlement of the matter in dispute.

Mr. SOMERS of New York. There is a question that you must decide. The attorney vigorously protested against that forced settlement.

Mr. STAFFORD. Now, that attorney has reversed himself, when he said it was in full settlement. I object.

KENNETH A. ROTHARMEL

The Clerk read the next bill on the Private Calendar, H. R. 4811, a bill for the relief of Kenneth A. Rotharmel.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. I reserve the right to object. I notice there is no letter from the War Department that shows that this individual after he resigned from the French Army, held a commission issued by the American Army.

Mr. CHINDBLOM. This claimant had enlisted in the French field service in Paris, and, after serving several months in the ambulance field service, he enlisted in the Lafayette Flying Corps of the French Army, attending their flying schools and training camps. A board of three majors of the American Army visited the camp in September, 1917, asking the claimant and other American flyers in the French service to transfer to the American Army for the purpose of forming a nucleus for the American aviation units. Said board advised claimant that arrangements had been made with the French Army to release him and it would require about two weeks for the transfer and issuance of commissions promised to be arranged.

The claimant executed the forms requesting his release from the French Army, submitted to a medical examination by the said board of majors, who passed and accepted him for the American Army. The board directed him to stay with the French Army until the commissions and orders came through. He continued his service with the French Army with the Lafayette Flying Corps until February, 1918, when he was given his release. The expected American orders did not arrive until April 4, 1918. During the period from January 26, 1918, to April 4, 1918, by reason of the above arrangements and the delay, the claimant received no pay or compensation of any sort, either from the French or the American Army, although he served constantly in actual combat during that period in the French Army.

On April 4, 1918, he was advised there were too many first lieutenants in the Air Service; that the promise of a first lieutenancy made to him in September, 1917, by the board of majors was canceled, and he was sworn in as a second lieutenant in the American Army on April 4, 1918, the commission referred to above, and received pay as a second lieutenant in the American Army after April 4, 1918.

Mr. BLANTON. It is a fact that our boys, because at first we had no Air Service over in France, enlisted in the French Escadrille?

Mr. CHINDBLOM. That is true.

Mr. STAFFORD. During the interim for which the bill seeks to remunerate him he was actually in the French service.

Mr. CHINDBLOM. Yes. This bill has passed the House three times, and this time I hoped to get it through in time to have it passed in another body.

Mr. STAFFORD. Mr. Speaker, in view of the explanation by the author of the bill, I withdraw the reservation.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Kenneth A. Rotharmel,

of the city of Chicago, in the county of Cook, and State of Illinois, the sum of \$433.50 in full compensation for arrears to pay, including regular pay, foreign-service pay, and flying pay, during his military service under appointment and commission as a second lieutenant, aviation section, Signal Officers' Reserve Corps, from January 26, 1918, to April 4, 1918.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. CHINDELOM, a motion to reconsider the vote was laid on the table.

GEORGE B. MARX

The next business on the Private Calendar was the bill (H. R. 4854) for relief of George B. Marx.

The SPEAKER pro tempore. Is there objection?

Mr. BACHMANN. I object.

Mr. HANCOCK of New York. Mr. Speaker, will the gentleman reserve his objection?

Mr. BACHMANN. Yes.

Mr. BLANTON. If the gentleman will permit, the War Department has found on an audit that there is actually due this party much less than the amount claimed in the bill.

Mr. HANCOCK of New York. That is correct.

Mr. BLANTON. The gentleman should reduce the amount in the bill.

Mr. BACHMANN. Oh, the committee has already recommended that amendment and I still object to that amount, because the Secretary of War is opposed to the passage of this bill. The Judge Advocate General has found against the merits of the bill. In addition to that, the attorney for the claimant, when he received \$139,000 on this claim, admitted it was in full settlement. I can not see any justice now in coming back and asking the Congress as a mere matter of grace to pay \$76,000.

Mr. HANCOCK of New York. I will be very glad to explain that feature of the bill.

Mr. BACHMANN. I reserve the objection.

Mr. HANCOCK of New York. It is a fact that this is an effort to obtain equitable relief. The claimant in this case probably has not a good case in a court of law. Settlement was made, but it was a partial settlement, made as such, and understood as such by both parties, but, as we all know, to get any money from the Government it is necessary to sign releases and satisfactions, and as a matter of fact I think everybody in this room has signed a receipt in full for salary for a year in advance. If the gentleman will read the affidavits in the last part of the report made by the two captains of the Signal Corps, who negotiated the settlement, it will be clear to him then that it was only a partial settlement. At the time the settlement was made, General Carmichael refers to the audit as having been based on numerous errors. The War Department did reaudit this claim, because they were so impressed with the fact that an injustice had been done.

That reaudit was made; and as the gentleman from Texas [Mr. BLANTON] has pointed out, they found that a balance of some \$58,000 is actually due and owing. This man wants nothing except payment of an honest debt. We all feel that the Government should be as honorable in its dealings with citizens as citizens are compelled to be with each other. This money is due and owing. That can not be contradicted. The only defense is a technical defense which the Judge Advocate General naturally raises as the law officer. He says there is no legal claim, and that it rests entirely with the grace of Congress. This is the last court of appeal. The man has no recourse except in Congress. You can not get equity anywhere against the Government except through Congress.

Mr. BACHMANN. This claimant was represented by an attorney before the War Department and they agreed on a settlement for \$139,000.

Mr. HANCOCK of New York. The gentleman is in error.

Mr. BACHMANN. I direct the gentleman to page 12 of the report, signed by Colonel Stallings, chief, civil affairs,

section No. 2, of the Army. I read from the last paragraph of the report:

This statement by the attorney for Mr. Marx is a confession that in his opinion the settlement is legally binding upon the parties.

Mr. HANCOCK of New York. That has no reference to the original settlement that was made. That has reference, however, to this bill which is now before Congress.

Mr. BACHMANN. Is it not a fact that Mr. Marx, represented by an attorney, agreed with officials of the War Department to accept \$139,000 in round numbers, and that money was paid?

Mr. HANCOCK of New York. That is the amount that was paid in partial payment in 1919.

Mr. BACHMANN. And now, some 12 or 13 years afterwards, he comes to Congress and asks Congress to pay an additional \$76,000 which has been reduced to \$58,000. I think, in the first place, the claim is too large to be handled here on the Private Calendar, where quick consideration must be given to items of this kind.

Mr. HANCOCK of New York. An immense amount of testimony has been produced, and it was carefully studied by the War Department and by the Committee on War Claims. It is true that it has taken 12 or 13 years to reach this point, and because of that I am extremely reluctant to have all that effort and work thrown into the discard, because proper attention can not be given on this floor to the merits of the bill.

Mr. BACHMANN. Does not the gentleman think that this is a just claim?

Mr. HANCOCK of New York. I am certain that it is a just claim.

Mr. BACHMANN. If it is a just claim, in addition to the \$139,000 already received, I think we ought to take this matter up with the War Department, that has all the facts, and get a favorable report from the Secretary of War, who has gone over it, who has all these accounts before him, who is familiar with the original settlement, rather than come here before Congress and in a few minutes ask the House for that sum of money.

Mr. HANCOCK of New York. May I read just a sentence from the report of the committee?—

After repeated efforts to have the claim reaudited, the War Department finally, on January 19, 1929, consented to a reaudit, with a view of determining to what extent, if any, the contractor was inadequately compensated. The War Department auditor found that Marx was entitled to an additional sum of \$58,259.02, the amount carried in the present bill.

Then it quotes Judge Advocate General Carmichael.

Mr. BACHMANN. Who finds against that holding?

Mr. HANCOCK of New York. No; that is not so.

Mr. BACHMANN. He does not recommend payment of this claim.

Mr. HANCOCK of New York. I wish the gentleman would take time to read this report.

Mr. BACHMANN. I have read the report two or three times.

Mr. HANCOCK of New York. I do not want to take the time of the House in this manner. If the gentleman will withhold his objection and let me go into this a little more thoroughly, I think I can explain it to him.

Mr. BACHMANN. Mr. Speaker, I object.

STANLEY A. JERMAN, RECEIVER

The Clerk called the next bill on the Private Calendar, H. R. 5185, for the relief of Stanley A. Jerman, receiver for A. J. Peters Co. (Inc.).

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. EATON of Colorado. Mr. Speaker, I object.

STANTON & JONES

The Clerk called the next bill on the Private Calendar, H. R. 5738, for the relief of Stanton & Jones.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, I object.

WARREN BURKE

The Clerk called the next bill on the Private Calendar, H. R. 4103, for the relief of Warren Burke.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I would like some explanation of this bill. I have it marked for qualified objection, which means subject to some explanation.

Mrs. KAHN. If the gentleman has read the report—it was reported unanimously by the Committee on Naval Affairs. There is a report from the Navy Department recommending its passage.

Mr. STAFFORD. But what does it seek to do? Will the gentleman from Pennsylvania [Mr. COYLE] supplement the information given by the lady from California?

Mr. COYLE. May I explain to the gentleman this young man was serving as an aviator on one of the big airplane carriers. He was in the Naval Reserve but was assigned to regular duty as an aviator on one of these big carriers and was serving for nearly a year in exactly the same status as if he had been in the regular service.

At the time they were launching a large number of planes from the deck of the carrier. All of the motors were turning over at the same time. He either lost his balance or was blown from the cockpit of his plane as he tried to climb into it, and was blown back into the propeller of the plane immediately in the rear of him, and his arm was taken off at the shoulder. His status as a naval reservist does not entitle him to retirement pay. He is not entitled to any compensation, because it was not in war time, but, just as much as any man serving with a regular commission in that rank, he was doing his part, and he is seriously damaged for the rest of his life.

Mr. STAFFORD. Is not this measure on all fours with the emergency officers' relief proposal, seeking to give to the reservist the same retirement privileges as if they were in the enlisted Army?

Mr. COYLE. I can not follow the gentleman that far, because the emergency officers' retirement was a measure for war-time officers. This is a measure for a young peace-time officer serving in the aviation service.

Mr. STAFFORD. Now, the gentleman has given considerable thought to this subject. Suppose a national guardsman during encampment maneuvers suffers an injury; would the gentleman say he was entitled to three-quarters pay?

Mr. COYLE. If the National Guardsman was called into the Federal service for regular duty and not for training, then I should say he was entitled to similar benefits.

Mr. STAFFORD. But this young man, as I understand, was not in training to be called into the regular service.

Mrs. KAHN. Yes. He had been for a year on the *Saratoga*. He had been in regular service on the *Saratoga*. He was there for a whole year.

Mr. STAFFORD. But merely in training.

Mrs. KAHN. They were short of aviators. He was in active service.

Mr. STAFFORD. I want to get this clear, because this establishes a principle. In the Army we send men in the Reserve Officers' Training Corps service to the various camps for training for three months or six months and the like. Is it purposed that when they are injured in that service we are going to retire them on three-quarters pay?

Mrs. KAHN. This is entirely different.

Mr. STAFFORD. But this is a comparable service.

Mrs. KAHN. May I read the last paragraph of the report from the Secretary of the Navy?

The status of Ensign Burke at the time of his injury was materially different from that usually occupied by reserves. He was a qualified naval aviator and was performing active duty with the Battle Fleet Air Squadrons. His orders to this duty contemplated continuous duty for one year, most of which had elapsed at the time of injury. While performing this duty he was not in a student status but was an active member of a combatant unit of naval forces performing duties identical with those required of officers of the regular service with similar rank. The effect of the assignment of Ensign Burke and other reserve officers performing similar

duty was to alleviate the shortage of naval aviators in the regular service and to bring up to required strength the active fleet aviation units.

Mr. STAFFORD. Then this could not be taken as a precedent for others in naval or military service who are being given training?

Mrs. KAHN. No. The Secretary of the Navy says:

In view of the exceptional circumstances of this case, the Navy Department recommends that the bill H. R. 4103 be enacted.

Mr. STAFFORD. Oh, they are very free with their recommendations.

Mr. SCHAFER. Will the gentleman yield for a brief question? I think I will have to object to the bill.

My colleague from Wisconsin has brought up a very pertinent point. Let us look at the facts in this case instead of looking at it in the light of sympathy. Take the officer personnel of the National Guard assigned to the border in 1916. That officer personnel was taken into the active Federal service. The captains were rendering the same service as Regular Army captains, and the lieutenants were rendering the same service as Regular Army lieutenants. Are we going to single out this one man, who has the same status as anybody else temporarily in the active military or naval service, and retire him on three-fourths of his base pay for the rest of his life, when we do not extend the same benefits to those in the National Guard and others who were temporarily in the active military or naval service of the United States and who were performing the same duties as officers in the Regular Establishment?

Furthermore, are we going to establish the policy, by special act of Congress, of granting relief to a naval reservist who has been injured in line of duty simply because he might have been called into the active service for two or three weeks or a year, and give him the status of a Regular officer, and if he is injured in line of duty retire him for the rest of his life at three-fourths of his base pay and fail to do the same for others having the same status? If that is the policy of the Naval Affairs Committee then I would suggest that they bring in general legislation, because I take the position that what is sauce for the goose should be sauce for the gander.

Mr. COYLE. Will the gentleman yield?

Mr. SCHAFER. Yes.

Mr. COYLE. This boy lost his arm, and he is entirely disabled. I know that if an Army officer on the Texas border, while in Mexico in action, had lost his arm the gentleman would be the last one in the world to object to having that man taken care of.

Mr. SCHAFER. I positively would object to picking out one single officer and extending to him special benefits which you deny to the many officers having the same status, simply because some influential Member of Congress introduces a special bill. I do not believe in the policy of picking out one individual and giving him a special status that is not given to all others in the same class.

Mr. COYLE. If the gentleman will show me another boy who has lost his right arm at the shoulder I will be very glad to introduce a similar bill.

The regular order was demanded.

The SPEAKER pro tempore. Is there objection?

Mr. SCHAFER. Mr. Speaker, I object.

## RELIEF OF CONTRACTORS AND SUBCONTRACTORS

The Clerk called the next bill (H. R. 793) to amend the act entitled "An act for the relief of contractors and subcontractors for the post offices and other buildings and work under the supervision of the Treasury Department, and for other purposes," approved August 25, 1919, as amended by act of March 6, 1920.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GRISWOLD. Mr. Speaker, reserving the right to object, this would open up the way for numerous claims which accrued prior to the World War, would it not?

Mr. LANKFORD of Virginia. No. They have practically all been settled. There are only two or three of those old

claims left. This man's claim should have been taken care of with the others and he should have been paid. This is an old man. He took that contract and he lost his home by reason of it. He is now the object of charity. Practically all of these claims have been settled. Special bills were passed taking care of others similarly situated. This bill does not appropriate a cent. It simply gives this man the privilege of going before the Treasury Department and proving his claim. I hope the gentleman will not object.

As I have stated, this man is now the object of charity. He lost his home by reason of this contract. He was compelled to compete with cost-plus contracts and they simply took all of his labor and all of his material and ruined him. It is a just claim.

Mr. GRISWOLD. This would change the status of a lot of claims, according to the statement of the Treasury Department.

Mr. LANKFORD of Virginia. I inquired at the Treasury Department and I was informed there are few of these claims left.

Mr. GRISWOLD. The Treasury Department states in its report that this would open up the way for the allowance of other claims.

Mr. LANKFORD of Virginia. There are no more of those claims in existence, or, at least, very few of them.

Mr. BLANTON. If the gentleman will permit, the department does not make any recommendation.

Mr. GRISWOLD. However, the Treasury Department states that this will open up numerous claims.

Mr. LANKFORD of Virginia. This only gives him the right to prove his claim. This is about the only claim left, so it will not open up a lot of other claims. This will only give him the right to go before the Treasury Department and prove his claim if he can.

I am frank to say I doubt very much, after this lapse of time, whether he will ever be able to prove it, but it will be a great relief to him to have the bill passed.

Mr. GRISWOLD. I object, Mr. Speaker.

WALTER S. WEST

The Clerk called the next bill on the Private Calendar, H. R. 1700, for the relief of Walter S. West.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged marines Walter S. West, who was a member of Marine Guard, U. S. S. Marblehead, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of the United States Marine Corps on the 14th day of January, 1899: Provided, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.*

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

FRANK WOODEY

The Clerk called the next bill on the Private Calendar, H. R. 1804, for the relief of Frank Woodey.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc., That the Secretary of the Navy is authorized and directed to accept for reenlistment in the Navy, Frank Woodey, 134-69-80, boilermaker, first class, and to immediately transfer him to the Fleet Naval Reserve in accordance with the laws existing at the time of his discharge from the naval service on the 10th day of February, 1922.*

Mr. SUTPHIN. Mr. Speaker, I move to strike out the last word. As a Member of the Seventy-second Congress, elected in 1930 from the third district of New Jersey, a district which is perhaps as important, unusual, and interesting as any in our entire country, I wish to bring to your attention some of the existing conditions. Part of my district is highly industrial and contains some of the country's largest industries; another part is a rich agricultural section where the farmers largely engage in the raising of fruit and vegetables for the metropolitan markets. This section also pro-

duces annually a vast amount of poultry and eggs, which are widely distributed. There is also the seashore section of New Jersey, the playground of the East, which not only furnishes recreation and pastime for thousands of our citizens during the summer months but during the other parts of the year is the scene of great activity in the fishing industry. From this brief description of the district I know you will appreciate the diversified interests of my constituency. Since my election in 1930 I have spent a lot of time in finding out from the people of my district their views regarding the public issues of the day. Frankly and freely have we talked over problems, and the thoughts expressed to you to-day are what might be called the gleanings from conferences with members of both major parties.

Since I have been a Member of the House I have assisted in every way within my power to bring about the enactment of legislation which was thought would be helpful in relieving the depression, and especially the unemployment from which millions of workers are suffering through no fault of their own. We have put through what we know as the reconstruction program. We have passed the Reconstruction Finance Corporation act, an act designed to ease the strained situation of banks, building and loan associations, the railroads, and insurance companies; we passed the Glass-Steagall bill, to end deflation by easing the credit situation by thawing out frozen assets. We have assisted agriculture in numerous ways. In short, we have done what it was agreed might be done for the farmer, the banker, the railroads, and the big corporations; and I feel that the time has now arrived when some measures should be taken to relieve the distress of the working classes—in a word, to do something for the plain people.

How can this be accomplished? In my judgment it can be done, in so far as the Federal Government is concerned, by the enactment of legislation which will permit the laying down of a broad and comprehensive building program. But here we are up against the opposition of the President, for we find that he has issued instructions that no more authorizations shall be made for building projects.

The President states that he will veto our road construction bill, which will prevent the appropriation for Federal aid in highway construction. And, is it not true that only by the adoption of such projects as this can the Federal Government do anything toward providing work for men who are idle? This will also set an example to private industry, which should stimulate a revival that would provide a great deal more employment than the Government, in its necessarily limited sphere of activities, can ever be able to do. Only through such means can we assist labor, both skilled and unskilled, and help it over the depression, which has continued so long that it has taken as its toll the lifetime savings of hundreds of thousands of worthy families.

We hear a great deal said about living in a machine age and of its effect upon labor. We know that machines are doing work formerly done by man power. The measure of benefit that goes to the working classes as a result of construction projects is only a fraction of what it would be if we did not have the many wonderful inventions of to-day. In a road-construction job, for example, the number of men that could be employed would be very much greater were it not for the steam shovel and the concrete mixer.

I realize that the suggestion which I am about to make may seem a backward step, but in a situation as we have to-day, with millions of men begging for employment in order to provide food for their children, would it not be well to require upon every Federal construction project, whether road construction or building or what not, that machinery be replaced by man power in every possible instance? It might slow down construction somewhat; it might even make it a little more costly, though probably not greatly so; but it would do an infinite amount of good and be infinitely better for the working people, the class for which the Government has not yet legislated. It would give employment to thousands now idle, thereby providing food and fuel for thousands of families, and that is what must be done eventually by one means or another.

The Federal Government is faced with the greatest Treasury deficit in its history, at least in time of peace. For the last fiscal year it is in excess of a billion and a half. There is every indication that by the close of the present fiscal year on June 30 next the accumulated deficit for two fiscal years will be in the neighborhood of \$3,000,000,000.

This is a staggering sum. It has been accumulated during the administration of the President now occupying the White House, and he and his party must accept the responsibility therefor, because by no stretch of the imagination can it in any degree be charged to the party now in control of the House of Representatives. Nevertheless that party, my party, is confronted with the disagreeable duty of finding additional revenue through new or additional taxes with which to meet this deficit, balance the Budget, and preserve unimpaired the credit of the Federal Government.

This huge \$3,000,000,000 deficit is due, on one hand, to an enormous falling off in revenue from income and other taxes, and, on the other, to the orgy of expenditure which has been indulged in during the recent years; expenditures which have steadily mounted until for the last two fiscal years they have reached the staggering sum of \$5,000,000,000 annually.

To meet this deficit, at least in part, and to finally balance the Budget, the Ways and Means Committee of the House is now searching for new and additional sources of revenue. I desire here and now to express the hope that not one more dollar of new and additional taxes will be levied than is absolutely imperative, because we must never forget that we are going to levy these additional taxes at a time when they will constitute a very great hardship upon the taxpayers. All taxation is vexatious, but when taxes are levied at a time when the people are least able to pay they are doubly burdensome.

We hear a great deal about balancing the Budget, and I am in favor of balancing the Budget in a reasonable time, because we must do nothing that will impair our national credit in the slightest degree. But we do not have to balance the Budget to-day, or even this year. We should not lose sight of the fact that under this and the preceding Republican administrations a great deal was made about reducing the national debt. In seeking to make a record in that respect, the administrations of Presidents Hoover and Coolidge, and even that of President Harding, imposed more taxes than were necessary to pay the Government's running expenses, and in consequence found huge surpluses on hand, with which the national debt was reduced more than the law required.

The result is that we are more than six years ahead of the debt-retirement schedule, as fixed by law. Possibly that was justified when times were good and everybody was prosperous. But now that times have changed, now that the tax money is doubly hard for the taxpayers to find, would it not be wise to reduce our national-debt payments for two or three years, and to that extent ease the burden upon the people? If we do this we will still be two or three years ahead of the statutory requirements for debt reduction, and will have given the taxpayers the benefit of this relief at a time when they need it more than they have ever needed it in the past or probably ever will need it again.

Take the case of thousands of people in my district in New Jersey. As I stated earlier, the raising of fruits and vegetables is a most important industry. These producers are in difficult circumstances. They received very low prices for their products last year. Many of them did not make the cost of production. They are in difficulty. Taxes are more burdensome to them than they have ever been and the same is true of office workers and others we sometimes call the "white collar" class.

They should not be called upon to pay, and with my vote never will pay, a penny more in taxes than is absolutely necessary for governmental requirements. They are not concerned about income taxes, for many of them seldom, if ever, make enough to place them in the income-tax paying

class. But they pay many other taxes—their land, State, and local taxes; they pay heavy indirect taxes because of the tariff. To add special excise taxes or sales taxes or any other special taxes to what they are already paying would work a great hardship on many and might even help throw some of them into bankruptcy.

One of the pledges upon which the Democratic Party came into control of this body last December was that of the strictest economy possible in governmental expenditures. We are keeping that pledge, and whatever the sum total of appropriations for the next fiscal year may be, it will be many millions of dollars less than would have been the case had not the Democrats gained control of the House.

As I have already pointed out, Federal appropriations have mounted steadily during the last several years until the Seventy-first Congress appropriated more than \$10,000,000,000; more than \$5,000,000,000 for the cost of Government for each of the past two years. The people were staggered by the size of these appropriations. They protested, and their protests became effective at the polls. So it was that the Democratic Party came into control in the House, pledged to strict economy.

The record of the Democratic-controlled House and the Democratic-controlled Appropriations Committee, under the leadership of Chairman JOE BYRNS, of Tennessee, stands out like a beacon of hope. That committee and this House have not yet finished with the consideration of the annual appropriation bills, but they have gone far enough to have made a record that challenges comparison. The appropriation bills already passed by the House, or reported out by the Appropriations Committee, carry appropriations for approximately \$440,000,000 less money for the next fiscal year than the last Republican Congress passed for the same Government departments for the present fiscal year. That alone justified the faith which the people demonstrated in my party when they voted it into control of this body. But not only have we reduced appropriations under those made by the last session of Congress so as to effect a saving of over \$400,000,000, but we have actually reduced the appropriations recommended by the Budget Bureau and approved by the President by nearly \$115,000,000. And we are not yet through, for other appropriation bills remain to be considered, and additional savings will be effected which will compare favorably with those already made.

I am certain, too, that these savings have been made without impairing the efficiency of any activity of the Government in the slightest degree, for during even the relatively brief time I have been in Washington I have formed the opinion that many of the Federal departments are overly populated and that there is so much overlapping and waste that I firmly believe no private corporation could long exist if it managed its affairs in a similar manner. Convinced as I am of this fact, I have whole-heartedly supported the Democratic leadership in the House in the steps it has taken to cut out this overlapping, both with respect to the filling of vacancies in the Federal service and in the effort now being made to bring about consolidations and transfers that, it is hoped, will lessen the evil about which there is so much complaint.

Speaking generally, I know that the taxpayers of my district favor these efforts for retrenchment and economy, but I regret to say that there are a few individual cases where there is a complaint when a reduction or curtailment affects some activity of the Government in which they are particularly interested. Anxious as I am to please, I recognize that we can not play favorites and every Government department and bureau must share in this reduction, not only in the expenditures but sometimes in personnel, if real economy is going to be effected, and if the taxpayers are going to ever get any relief.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

## PARRAMORE POST, NO. 57, AMERICAN LEGION

The Clerk called the next bill on the Private Calendar, H. R. 4515, extending the limit of time within which Parramore Post, No. 57, American Legion, may construct its memorial building and correcting street location.

Mr. BACHMANN. Mr. Speaker, reserving the right to object, I would like to inquire from the author of the bill whether or not this extension will bring about any expense on the Government?

Mr. STAFFORD. Why not inquire of the gentleman reporting the bill?

Mr. BACHMANN. All right; I will make the inquiry of the gentleman reporting the bill, but I thought the gentleman introducing the bill would prefer to explain it.

Mr. BLANTON. Mr. Speaker, if the gentleman will permit, several years ago I got Congress to pass an act granting Parramore Post of the American Legion in my home city of Abilene, Tex., the right to construct a memorial building on one corner of Federal Square. This entire square was donated to the Government. The corner upon which the Parramore Post got permission to construct its memorial building was the northwest corner, when it should have been the northeast corner, the use of which would not interfere with any of the rest of the use or activities of the Government in connection with the property. This bill extends the time and corrects the location and was approved by the Treasury Department, approved by the Post Office Department, and has the unanimous report of the committee. The committee gave me a hearing on the bill and reported it unanimously.

The reason Parramore Post did not construct their building within the time authorized by the former act was because there were years of depression, continuous droughts, and hard times in that section. They were hard hit financially, and they failed to raise the necessary money within the time required, but during the last few years they have been raising funds by giving entertainments and otherwise accumulating their building fund. This bill is simply to extend their time for construction and to correct the location.

Mr. BACHMANN. The gentleman assures the House that this extension will not cost the Government any additional money?

Mr. BLANTON. Not one dollar.

The SPEAKER pro tempore. If the gentleman from Texas will permit, the Chair desires to call the attention of the gentleman to the fact that the bill does not undertake to define the location of this post. The Chair would suggest that an amendment might perhaps be appropriate.

Mr. BLANTON. Mr. Speaker, this language has been deemed sufficient by all concerned, and there is but one Parramore Post, and I would not like to change the bill as approved by the department and the committee.

Mr. BACHMANN. Does not the bill substitute the words "west side of Walnut" for "east side of Pine"?

Mr. BLANTON. Yes; that definitely locates it at a certain point in Abilene, Tex., and it is perfectly satisfactory to all concerned.

Mr. BACHMANN. Is the gentleman satisfied with the bill in its present form?

Mr. BLANTON. Yes; I am.

Mr. BACHMANN. In view of the explanation, I have no objection.

Mr. BLANTON. I thank my friend from West Virginia and my other colleagues here for allowing the bill to pass. When I got the original act passed, our former good friend, the late distinguished gentleman from Illinois, Mr. Jim Mann, at first raised several objections to the bill, but after extended discussion he approved it, and he helped me materially to pass it. I will appreciate it very much if my colleagues will let this bill pass now, as it may be some time before this committee reporting the bill may have a call on Calendar Wednesday.

Mr. COLLINS. Mr. Speaker, reserving the right to object, does not the gentleman think this is a bad practice?

Mr. BLANTON. Mr. Speaker, I am not going to be razed about a bill by my friend from Mississippi just because I am the author of it. This is a just and proper bill to allow

Parramore Post to construct their building. I feel sure the gentleman does not want to object to it, and now that he has razed me about it, I hope he will let it pass.

Mr. COLLINS. I want to ask the gentleman a serious question: Does not the gentleman think it is a bad practice for post-office sites to be littered up with private buildings?

Mr. BLANTON. If the gentleman could see this big oversized block which was given to the Government without costing the Government a penny he would realize that this American Legion building will in no way interfere with Government needs and necessities.

Mr. COLLINS. Was the site donated by the municipality?

Mr. BLANTON. Yes; by the people of Abilene.

Mr. COLLINS. Then I have no objection.

Mr. BLANTON. I thank my friend from Mississippi.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc., That the limit of time within which Parramore Post, No. 57, American Legion, may erect its memorial building as provided in the act approved August 24, 1921, being Public, No. 70, Sixty-seventh Congress, be, and the same is hereby, extended three years from and after the date of the final passage and approval of this bill; and that said act be, and it is hereby, further amended by striking out in line 9 of said act the words "East side of Pine" and substituting therefor the words "West side of Walnut."*

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

M. A. SPRENGEL

The Clerk read the next bill on the Private Calendar, H. R. 6334, for the relief of Lieut. M. A. Sprengel, Supply Corps, United States Navy.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Reserving the right to object, although the allowance in this bill is very small, \$17.36, nevertheless, there is a principle which I think the House should consider before we pass this bill under unanimous consent. The Comptroller General withheld the item of this amount from this man's account because it was shown that he was ordered to play tennis. The law only authorizes the Navy Department to grant transfers as a basis for mileage for public business. Here they are seeking to override the determination of the Comptroller General, the directing officer of the Government in matters of this kind.

Mr. GAMBRILL. Mr. Speaker, I will say that this man was ordered from the naval station at Hampton Roads in 1927 to take part in a lawn-tennis contest at the Naval Academy at Annapolis. He was under orders to go there, he could not refuse, and incurred an expense of \$17.36. That amount was paid him by Lieutenant Sprengel, of the Supply Corps. That item has been disallowed by the Comptroller General.

The only question involved here is whether this was public business. The Comptroller General says that he was not engaged in the public business. But we must consider the situation of the supply officer, who has paid the man, and this involves no appropriation out of the Treasury of the United States.

Regardless of how you may consider the matter, this is not a controversy between the Navy Department and the Comptroller General. It is a question of whether this man was engaged in public business.

Mr. STAFFORD. Is it the gentleman's contention that going from Norfolk to Annapolis to play tennis is public business?

Mr. GAMBRILL. When he is ordered to go; yes. He could not refuse, he incurred this expense, and it was paid by the supply officer, and this is to credit the account of the supply officer.

Mr. BLANTON. Playing tennis is much more laudable than some other things that he might indulge in. This only involves \$17.36.

Mr. STAFFORD. I am at a loss to know what the gentleman from Texas refers to. Coming from Milwaukee, I know that there are some things indulged in by naval officers, but I do not know whether the gentleman, being a dry, refers to that or not. [Laughter.]

Mr. Speaker, I withdraw the reservation of the right to object.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the General Accounting Office is hereby authorized and directed to credit the accounts of Lieut. M. A. Sprengel, Supply Corps, United States Navy, in the amount of \$17.36, which amount represents payments made to Lieut. C. T. Simard, United States Navy, for mileage performed under orders of the Bureau of Navigation of the Navy Department dated May 21, 1927.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

CAPT. CHESTER G. MAYO

The next business on the Private Calendar was the bill (H. R. 6337) for the relief of Capt. Chester G. Mayo.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the General Accounting Office is hereby authorized and directed to allow the sum of \$115 in settlement of the accounts of Capt. Chester G. Mayo, Supply Corps, United States Navy, this sum being the amount paid by the said Captain Mayo on account of floral wreaths purchased in connection with the funerals of the late Congressmen Lemuel P. Padgett, Daniel J. Riordan, and James R. Mann, and disallowed by the General Accounting Office.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

G. W. WALL

The next business on the Private Calendar was the bill (H. R. 882) for the relief of G. W. Wall.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to have issued and delivered to G. W. Wall, of Spartanburg, S. C., a duplicate certificate of mutilated temporary coupon bond No. 13491081 for \$50 of the third 4½'s, the said bond having been partially destroyed: *Provided,* That the said G. W. Wall shall furnish, if the Secretary of the Treasury require it, a bond to hold the Government of the United States harmless against any loss that it might sustain by reason of said mutilated temporary coupon bond.

With the following committee amendment:

Strike out all after the enacting clause and insert:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to redeem in favor of George W. Wall, of Spartanburg, S. C., United States temporary coupon bond No. 13491081 for \$50 of the third Liberty loan 4½ per cent per annum bonds of 1928, with interest from September 15, 1919, to September 15, 1928, without presentation of the upper portion of the bond, the lower portion of said bond having been presented to the Treasury Department with coupon No. 4, due March 15, 1920, attached: *Provided,* That the upper portion of the said bond shall not have been previously presented or ascertained to be in existence and that no payment shall be made hereunder for any coupons which may have been attached to the temporary bond other than coupon No. 4 mentioned above: *And provided further,* That the said George W. Wall shall first file in the Treasury Department a bond in the penal sum of double the amount of the principal of the said bond and the interest payable thereon from September 15, 1919, to September 15, 1928, inclusive, in such form and with such corporate surety as may be acceptable to the Secretary of the Treasury to indemnify and save harmless the United States from any loss on account of the mutilated bond hereinbefore described.

The committee amendment was agreed to, and the bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

EDWARD BODECK

The next business on the Private Calendar was the bill (H. R. 2238) for the relief of Edward Bodeck.

The SPEAKER pro tempore. Is there objection?

Mr. BACHMANN. Mr. Speaker, I reserve the right to object. I think the Government employee in driving this truck was negligent. I think the claimant is entitled to some compensation, but I can not agree that the amount of compensation provided in the bill, \$5,000, is correct because, as I read the report, the injuries that the claimant received do not warrant the sum of \$5,000. I say this especially in view of the fact that the gentleman's committee is on record

as well as the Members of the House of granting only \$5,000 in case of death. This injury is not of such a permanent nature as to warrant the payment of \$5,000. I would have no objection if the chairman of the committee would agree to an amendment making the amount \$2,500 instead of \$5,000.

Mr. BLACK. Mr. Speaker, this is the bill of my colleague from New York [Mr. GRIFFIN], who is at present in a hospital in Washington. I do not know whether or not he would accept the suggested amendment. The injuries here were pretty serious. It was an outrageous piece of negligence on the part of the Army truck.

Mr. BACHMANN. I think there is no question as to the liability.

Mr. BLACK. Excepting for his negligence, the claimant would be a sound and well man to-day, and would not be seeking relief. He was badly battered up by the Army truck. He was on the sidewalk, and the truck was trying to pass another vehicle on the right side and went off on the sidewalk and struck this man and knocked him down. The man was in the hospital for some time, treated for several days. He had concussion of the brain and several other injuries. His eyesight is impaired. The original bill was for \$10,000 and the committee cut it to \$5,000.

Mr. BLANTON. Will the gentleman yield?

Mr. BLACK. Certainly.

Mr. BLANTON. I am sure our colleague, the gentleman from New York [Mr. GRIFFIN], would rather have the bill passed at this time even though reduced; and if it does not suit him, he can get it changed in the Senate, because this bill will not be reached again for a long time. I suggest that the gentleman from New York reach an agreement with the gentleman from West Virginia.

Mr. BACHMANN. Does the gentleman from New York believe, as chairman of the committee, and from the facts as he knows them, that this is a claim which would warrant Congress in paying \$3,500 instead of \$2,500?

Mr. BLACK. I feel that way, or I would not report the bill.

Mr. BACHMANN. I will accept the statement of the gentleman from New York if he will accept an amendment making it \$3,500 instead of \$5,000.

Mr. BLACK. Mr. Speaker, I accept the amendment.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, the sum of \$10,000 to Edward Bodeck, of New York, N. Y., on account of injuries sustained when struck by an Army truck November 8, 1928.

With the following committee amendment:

Line 6, page 1, strike out "\$10,000" and insert in lieu thereof "\$5,000."

Mr. BLACK. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. BLACK: Strike out "\$5,000" and insert in lieu thereof "\$3,500."

The amendment to the committee amendment was agreed to.

The committee amendment was agreed to.

Mr. BACHMANN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BACHMANN: On line 6, before the word "against," insert the words "of all claims."

The amendment was agreed to.

The SPEAKER pro tempore. The Clerk will read the remaining committee amendment.

The Clerk read as follows:

Committee amendment: Line 9, insert the following: "*Provided,* That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or

receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

EDNA B. ERSKINE

The Clerk called the next bill on the Private Calendar, H. R. 4406, for the relief of Edna B. Erskine.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BLACK. Mr. Speaker, I move to table that bill. That bill should not have been reported.

Mr. BACHMANN. Mr. Speaker, will the gentleman yield?

Mr. BLACK. I yield.

Mr. BACHMANN. The bill should be stricken from the calendar. It became law at the last session.

Mr. BLACK. I made a motion last session to strike a bill from the calendar, under similar circumstances, and the Speaker ruled that the proper motion was to lay on the table.

The SPEAKER pro tempore. The question is on the motion of the gentleman from New York [Mr. BLACK].

The motion was agreed to.

INTERNATIONAL MANUFACTURERS' SALES CO. OF AMERICA (INC.)

The Clerk called the next bill on the Private Calendar, H. R. 5054, for the relief of the International Manufacturers' Sales Co. of America (Inc.).

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BLANTON. I object, Mr. Speaker. This bill would unjustly appropriate \$968,748.12.

Mr. BACHMANN, Mr. ARENTZ, and Mr. COLLINS objected.

Mr. BLANTON. Mr. Speaker, a bill of this magnitude, seeking to appropriate \$968,748 should not ever come up for consideration on a unanimous-consent calendar. A case in court involving such a tremendous amount, would be hotly contested, and it would usually take a whole week to try it. The committee report does not have in it any communication whatever from any department of Government. The committee report does not show that any executive of the Government has given to it his approval. If the House should pass bills of this importance, taking practically a million dollars of the people's money out of the United States Treasury, on a unanimous-consent calendar, it would be absolutely impossible for us ever to balance the Budget. Every dollar that we appropriate must be taken out of the pockets of the people through taxation. And if we do not stop spending, our Government will face bankruptcy. These are my reasons for objecting to the bill.

ANNA MARIE SANFORD

The Clerk called the next bill on the Private Calendar, H. R. 1275, for the relief of Anna Marie Sanford, widow of William Richard Sanford, deceased.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Reserving the right to object, I have been following a certain form with regard to all of these bills where we seek to grant compensation to individuals, by reason of the running of the statute of limitations. I want to know whether the gentleman would be willing to accept this amendment?

That the United States Employees' Commission is hereby authorized to consider and determine the claim of Anna Marie Sanford, widow of William Richard Sanford, deceased, former furnace man, navy yard, Washington, D. C., in the same manner and to the same extent as if said William Richard Sanford had made application for the benefits of said act within the 1-year period required by sections 17 and 20 thereof, provided that no benefits shall accrue prior to the approval of this act.

That is the form adopted at this session.

Mr. BLAND. I have no objection to the form, except there is one feature of this situation that I desire to bring to the attention of the gentleman.

The man first developed symptoms of tuberculosis in 1919. He was continued at work, and then in 1929 he developed tuberculosis. One question is when the tuberculosis first developed. He filed within one year after 1929.

Mr. STAFFORD. We are waiving by the proposed substitute the statute of limitations. We leave it to the United States Employees' Compensation Commission to determine whether he received injuries for which he would be entitled to compensation if he had filed his claim in time.

Mr. BLAND. I will accept the gentleman's amendment, but, Mr. Speaker, I ask unanimous consent to substitute for the House bill an identical Senate bill, S. 2822, which has been passed. Then with the amendment to the Senate bill it may go to the Senate for concurrence.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia [Mr. BLAND]?

There was no objection.

The Clerk read the Senate bill, as follows:

*Be it enacted, etc.,* That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended, are hereby waived in favor of Anna Marie Sanford, widow of William Richard Sanford, deceased, former furnace man, navy yard, Washington, D. C.: *Provided,* That compensation, if any, shall commence from and after the date of passage of this act.

Mr. STAFFORD. Mr. Speaker, I offer an amendment.

The SPEAKER pro tempore. The gentleman from Wisconsin offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Strike out all after the enacting clause and insert:

"That the United States Employees' Compensation Commission is hereby authorized to consider and determine the claim of Anna Marie Sanford, widow of William Richard Sanford, deceased, former furnace man, navy yard, Washington, D. C., in the same manner and to the same extent as if said William Richard Sanford had made application for the benefits of said act within the 1-year period required by sections 17 and 20 thereof: *Provided,* That no benefits shall accrue prior to the approval of this act."

The SPEAKER pro tempore. The question is on the substitute amendment.

The substitute amendment was agreed to.

The Senate bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

CHARLES THOMAS

The Clerk called the next bill, H. R. 3724, for the relief of Charles Thomas.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BACHMANN. Mr. Speaker, reserving the right to object, this bill provides for the payment of two amounts, one of \$2,500 for injuries to the boy and another \$2,500 to his father. I do not think this case warrants the payment of any additional sum to his father. If the gentleman will accept an amendment providing relief for this claimant to the extent of \$2,500, I will have no objection to the bill.

Mr. BLACK. I really think the amount awarded to the boy is too low. This boy lost his leg.

Mr. BACHMANN. I am inclined to believe that, I will say to the chairman of the committee. I think he is right in that. I think there is a liability on behalf of the Government for injury to this boy, but my objection is to the payment of two special sums for the same injury. I have no objection to increasing the amount to \$3,500 for payment to this boy.

Mr. BRUNNER. I will accept that amendment.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles Thomas the sum of \$2,500 in full settlement for injuries sustained by him;

and the additional sum of \$2,500 is hereby appropriated for loss of services and expenses of Edgar Thomas, as a result of a collision in which Charles Thomas was struck by an Army truck on Bell Avenue at Maxwell Avenue, Bayside, Long Island, on October 8, 1928: *Provided*, That no part of the amount of any item appropriated in this act in excess of \$200 thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered or advances made in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum which exceeds \$200 of the amount of any item appropriated in this act on account of services rendered or advances made in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 5, after the word "to," insert the words "the legal guardian of."

The committee amendment was agreed to.

Committee amendment: On page 2, in line 15, after the figures "\$1,000," insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

Mr. BACHMANN. Mr. Speaker, there is another provision in this bill providing for attorneys' fees. There is no necessity for having two provisions for attorneys in the bill. I think, however, the provision inserted by the committee for attorneys' fees is a proper one. I offer an amendment to strike out the first provision contained in the bill for attorneys' fees.

The SPEAKER pro tempore. The gentleman from West Virginia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BACHMANN: On page 2, beginning in line 2, after the colon strike out the proviso ending in line 15.

The amendment was agreed to.

Mr. BLACK. Mr. Speaker, I move that the bill be amended in line 6 by striking out the figures "\$2,500" and inserting "\$3,500." Further that the bill be amended in line 7 by striking out the semicolon after the word "him" and all the language down to the word "as" in line 9.

The SPEAKER pro tempore. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLACK: Strike out, on page 1, beginning in line 7 after the word "him," the semicolon and the remainder of line 7, all of line 8, all of line 9, and line 10 down to the word "struck" and insert the words "by being."

Mr. BACHMANN. Mr. Speaker, I desire to be heard on the amendment. I am afraid the amendment as read by the Clerk strikes out the important part of the bill, the injury part of the bill.

Mr. STAFFORD. Mr. Speaker, the amendment as reported by the Clerk will carry the following language:

The sum of \$3,500 in full settlement for injuries sustained by him by being struck by an Army truck on Bell Avenue—

And so forth. I prepared the amendment in advance and I think it is in proper shape.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

LIEUT. JAMES FLOYD TERRELL

The Clerk called the next bill on the Private Calendar, H. R. 4280, for the relief of Lieut. James Floyd Terrell, Medical Corps, United States Navy.

Mr. EATON of Colorado. Mr. Speaker, I object.

Mr. MONTAGUE. Mr. Speaker, will the gentleman withhold his objection?

Mr. EATON of Colorado. I will reserve the objection.

Mr. MONTAGUE. I would like to say to the gentleman that this bill passed the House last year.

Mr. STAFFORD. Did it pass at this amount?

Mr. MONTAGUE. No; it was passed at the amount of twelve hundred and some dollars.

Mr. EATON of Colorado. Mr. Speaker, here is a man who is a lieutenant of the Navy and goes out at 8 o'clock in the evening and comes back after a while and finds there has been a fire. His goods are destroyed, and he puts in a bill for \$280 worth of books 4 years old that cost \$280; 3 pajama suits, 4 months old, cost price \$5 per suit, \$15; bathing suit, 6 months old, cost price \$5, value \$5; raincoat, cravenette, cost \$60, value \$60 after 6 months' use; marine uniform, whipcord, purchase price \$80, value after 1 year \$80; and so he goes on down through the list.

I thought the gentleman from Virginia wanted to hear the complaint about the bill.

Mr. MONTAGUE. I did wish to hear the comments of the gentleman about the bill and the reasons for the gentleman's objection to the bill.

When this gentleman made the account up, he just stated what the things had cost him. He had no time to go into other detail. He just took the matter up before the Military Board and stated the matter in that way. The bill, as originally introduced by me, was for this amount, but I agreed to reduce it, according to the statement before the committee, from \$1,600 to \$1,250. I think this would amply cover the items which the gentleman thinks are extravagant. I did not at all correct the original report, because I had just offered the bill as I had introduced it last year, and the bill was offered last year for \$1,250 and passed.

Mr. EATON of Colorado. I have not had time to go over and revalue all these items, but I think the \$250 or \$300 reduction suggested is entirely out of line with the amount of loss, if there was a compensable loss. I believe it should be so materially reduced that I think the bill should go over at this time.

Mr. BACHMANN. Will the gentleman suggest an amendment that, in his opinion, would cover the amount of the loss?

Mr. MONTAGUE. Let me say to the gentleman that the Navy Department, when it reported on the bill, stated that \$1,250 was the proper amount.

Mr. STAFFORD. Does not the gentleman think it is a rather high-handed method of action for a naval officer, after he has had a library for a number of years, to put the loss of the library at the cost price?

Mr. MONTAGUE. I know this man, and he is a very high-toned man.

Mr. STAFFORD. Oh, there is no question of his high tone.

Mr. BACHMANN. There is no question about the liability here, and there ought to be some compensation made for this loss.

Mr. MONTAGUE. The only question raised about this bill last year was by the distinguished gentleman from Wisconsin [Mr. STAFFORD], when he said that this man ought to have insured these goods. I stated at that time that the man had insured his goods, but his policies were canceled as soon as he was ordered to go to Panama. He had not been in Panama more than a week or two weeks when the fire occurred in the barracks. He was on leave for an hour or so and came back and found the barracks on fire. His superior officer ordered him at once to go and look after the wounded and sick and the killed or injured, and he had to leave his own quarters. He could have saved every piece of his property, but was put on this duty by his superior officer and lost his property without any negligence on his part.

Mr. BACHMANN. And this loss occurred while he was performing the duty of helping somebody else whose place was on fire. There is no question but what there ought to be compensation in this case. Would the gentleman agree

to an amendment in the amount he thinks proper, say, \$800 or \$900, or whatever the gentleman thinks is right in the matter? There is no doubt that this man ought to have some compensation.

Mr. EATON of Colorado. Mr. Speaker, there is a page and a half of fine print here, and I object to the bill being considered to-night.

Mr. BACHMANN. Would the gentleman accept \$800 as an amendment?

Mr. EATON of Colorado. No; I think the entire compensation should only be a very few hundred dollars, if any. Everything involved here was old and secondhand, and he has priced the articles at their full cost value in most instances. The cost price is put in here and also the claimed price.

I object, Mr. Speaker.

WILHEMIA WILKIE

The Clerk called the next bill on the Private Calendar, H. R. 5198, for the relief of Wilhemia Wilkie.

Mr. STAFFORD. Mr. Speaker, I object.

I. L. LYONS & CO.

The Clerk read the next bill on the Private Calendar, H. R. 4246, for the relief of I. L. Lyons & Co.

The SPEAKER pro tempore. Is there objection?

Mr. BACHMANN. I reserve the right to object.

Mr. BLANTON. The gentleman will note that the Treasury suggested an amendment, and the committee has amended the bill according to the suggestion of the department.

Mr. BACHMANN. There is no difference in the amount, but there is a further provision that they must return the liquor to the Government that the marshal of the district court turned over to the company that produced it. I want to inquire of the gentleman who introduced the bill whether they still have possession of the liquor?

Mr. MALONEY. They have possession of the liquor.

Mr. STAFFORD. What, in New Orleans? [Laughter.]

Mr. MALONEY. Yes. And the bill provides for the return of the liquor to the Government, before they can get the money back.

Mr. BLACK. Mr. Speaker, I ask unanimous consent to substitute Senate bill 1473 on the Speaker's desk.

The Clerk read the Senate bill.

Mr. STAFFORD. I understood that the committee was going to suggest the committee amendment to the original House bill, as a substitute for the Senate bill.

Mr. BACHMANN. I reserved the right to object to the unanimous consent to substitute the Senate bill. I only withdrew my objection because they accepted the amendment of the Treasury Department.

Mr. MALONEY. Mr. Speaker, I ask unanimous consent to substitute the committee amendment for the Senate bill.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the amendment as a substitute amendment for the Senate bill, as follows:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to I. L. Lyons & Co. the sum of \$3,793.07, in full settlement of all claims against the Government of the United States, which sum represents the amount paid to the United States by the said company for certain liquors sold to it by order of the United States district court authorizing the marshal for the eastern district of Louisiana and the Customs Service, port of New Orleans, to make such sale, and which liquors were later found and held to be unfit for medicinal purposes and not salable by the said I. L. Lyons & Co. as permittee wholesale druggist.

SEC. 2. That the payment directed under section 1 of this act shall not be made until the liquor involved is surrendered to the Federal prohibition administrator at New Orleans, La., for destruction.

The bill as amended was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

GRANTING OF CERTAIN LANDS TO THE CITY OF NEW ORLEANS

Mr. FERNANDEZ. Mr. Speaker, I desire to make a unanimous-consent request.

The SPEAKER pro tempore. The gentleman from Louisiana says there is a local emergency, and he desires unanimous consent to make a statement. The Chair recognizes the gentleman from Louisiana.

Mr. FERNANDEZ. Mr. Speaker, I rise for the purpose of asking the House to consider H. R. 8779, Private Calendar 408, out of order. I would not impose this request upon the House were it not in the nature of emergency legislation.

Mr. BACHMANN. Will not the gentleman withhold that until those of us charged with the responsibility of checking up bills have had an opportunity to make some examination of the matter? I do not know anything about it.

Mr. FERNANDEZ. I will withhold it for the present.

SAMUEL SCHWARTZ

The next business on the Private Calendar was the bill (H. R. 2514) for the relief of the estate of Samuel Schwartz. The SPEAKER pro tempore. Is there objection?

Mr. BACHMANN. Mr. Speaker, I object.

Mr. O'CONNOR. Mr. Speaker, will the gentleman reserve his objection?

Mr. BACHMANN. I do.

Mr. O'CONNOR. Mr. Chairman, this bill was on the calendar in the last session of Congress. The deceased was hit by a mail truck in New York City and lost his life. His estate is claiming damages on account of that. It is true that the Postmaster General and the post-office inspector say on the report of the driver of the truck that it was the fault of the deceased, but in the report there is an affidavit by an eyewitness who says that the truck was going at an excessive rate of speed, and that it was the driver's fault.

I do not believe that the Post Office Department, either the Postmaster General or anybody in his department, can be relied upon as witnesses in his own case. Naturally the driver of the truck wants to exonerate himself. If he should confess to being negligent, if he should admit his culpability for the accident, he would be discharged. If that is what the gentleman from West Virginia [Mr. BACHMANN] is relying on, then I submit to him that in these cases where people are killed or injured by an agency of the United States Government and their only relief is in Congress, the unsworn statement of the Postmaster General is not entitled to much weight. Of course he knows nothing about it, nor does the Post Office inspector know anything about it. The only witness who could be sworn and whose testimony would be accepted in a court of justice—as the gentleman well knows, because he is one of the ablest lawyers in the House—is the witness, Antonio Cervini.

Mr. BACHMANN. Mr. Chairman, I feel as the gentleman from New York does, so far as I am personally concerned. We have a great number of people who are injured and killed by postal employees who are operating Government trucks, as well as by soldiers who are operating Government automobiles and trucks. These people have no way of being compensated except by coming to Congress and asking for relief. Knowing that the gentleman from New York introduced the bill, knowing that he is a lawyer occupying a high standing at the New York Bar, I did not think that he would introduce a bill unless it was meritorious. I have read the report and I have read the affidavit of the Italian witness.

Mr. O'CONNOR. Do not emphasize the Italian part of it, just say the witness.

Mr. BACHMANN. Very well, the witness. I have risen to ascertain the true facts. As I understand this case, the deceased, carrying two bundles of newspapers, one on his shoulder and the other on his arm, started across the street at an intersection diagonally from one corner to another, instead of going across the street in the proper way. If he had been going across the street properly, he would not have contributed to this accident.

Mr. O'CONNOR. Admit all the gentleman says, if you will, do you think one of these poor, unfortunate people who makes a living carrying newspapers is going to deliberately throw himself in front of a United States mail truck?

Mr. BACHMANN. Certainly not.

Mr. O'CONNOR. Why emphasize the matter of negligence? In New York and other States we have provisions of equity by which damages may be awarded for injuries irrespective of negligence. If the gentleman wants to go on the strict fact of negligence, he puts his Government in the position of the railroads, who dispute accident cases on technical grounds of negligence. The gentleman does not want to do that, I am sure.

Mr. BACHMANN. No; but let us talk about the facts in this case. What has the gentleman to say about the case that was referred for prosecution and the man was found not guilty? If the truck was going 50 or 60 miles an hour, he violated the law.

Mr. O'CONNOR. In answer to that I call on my colleagues from New York, who are lawyers, who represent plaintiffs in negligence cases, where the defendant, a drunken or reckless driver, is haled into the magistrate's court. The last thing we want to have happen is to have him convicted. If he is convicted of a criminal charge or of reckless driving, we may lose our negligence case.

Mr. STAFFORD. Mr. Chairman, I examined this bill and report, not knowing who the author of the bill was until a few minutes ago.

Mr. O'CONNOR. I did not know that it was on the calendar until a few minutes ago.

Mr. STAFFORD. There is this harmony of testimony between the witness and the post-office driver.

Mr. O'CONNOR. Oh, there is no testimony of the post-office driver.

Mr. STAFFORD. Yes; there is the report of the inspector of the Post Office Department, who represents the Government, who got the testimony of the driver.

Mr. O'CONNOR. He was not there, of course.

Mr. STAFFORD. He has the testimony of the driver, and we have every reason to believe that the post-office inspector set forth the facts as the driver stated them to him. It is agreed that this news dealer was carrying newspapers in the dark, early morning, when it was raining, two bundles, one under his arm and one on his shoulder. It is agreed that he did not cross the street at the regular crossing, but diagonally. It is agreed also, if I know anything about New York traffic, the way it courses down Fifth Avenue, with automobiles going at 40 miles an hour, at the excessive speed of speedy New York—

Mr. O'CONNOR. It is a violation of all law.

Mr. STAFFORD. But the fact is that automobiles come coursing down Fifth Avenue, as I can testify, at 40 and 50 miles an hour.

Mr. BACHMANN. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. BACHMANN. The gentleman does not mean to say that because an automobile is going 40 or 50 miles an hour, therefore, this man ought not to have his claim passed?

Mr. STAFFORD. I claim that the testimony supports the position of the post-office inspector, which contains the report of the motor driver. He says he was going only 15 miles an hour.

Mr. O'CONNOR. He was not there.

Mr. STAFFORD. The motor driver was not there?

Mr. O'CONNOR. The inspector was not there. The accident occurred on Third Avenue, in my district, where there are two rows of elevated pillars in the street. Anybody who goes 30 miles an hour there is criminally guilty.

Mr. SCHAFER. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. SCHAFER. Did the gentleman ever find a motor-car driver who had an accident who did not claim that he was going only 10 or 15 miles an hour?

Mr. O'CONNOR. Of course, they all claim that. Now, one of the menaces to life in New York City, which the city has tried to stop, is the mail trucks. Mail trucks are the greatest menace to life in New York, and when New York City has tried to stop them the Post Office Department has said, "You have no control over us; we are an entirely different government. Mind your own affairs."

It is presumptive evidence of negligent operation when anybody is killed by a mail truck in New York City.

Mr. STAFFORD. Let me ask the gentleman this question: Here is a news dealer transporting newspapers that had been dropped on one corner over to his news stand. It is dark and raining, in the early hours of the morning. He is carrying a big package on his shoulder. He can not see the coming truck. Does the gentleman say that he is free from negligence?

Mr. O'CONNOR. Does the gentleman not think that the same obligation of care, because of the rain and the darkness, and so forth, devolves on the driver of the mail truck?

Mr. STAFFORD. Yes; I grant that.

Mr. O'CONNOR. Now, all things being equal, would the gentleman say that a citizen would run in front of a mail truck and commit suicide?

Mr. STAFFORD. No.

Mr. O'CONNOR. Any jury in the land, under the circumstances, would find a verdict for this man.

Mr. BLACK. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. BLACK. I think the thing which influenced the committee more than anything else was the testimony of the post-office inspector to the effect that the driver blew his whistle. He said he was traveling at only 9 miles an hour. He saw the man, he blew his whistle, and he was only going 9 miles an hour and he could have put on his brakes and stopped the wagon.

Mr. STAFFORD. He only went 10 feet after he struck the man.

Mr. O'CONNOR. You can stop in 10 feet going at 25 miles an hour. If the gentleman will stop these mail trucks from endangering the lives of our citizens, he will be doing a great service.

The regular order was demanded.

Mr. BACHMANN. Mr. Chairman, I wish to say to the gentleman from New York that it is usual in cases of this kind to ask for either \$5,000 or \$10,000.

Mr. O'CONNOR. This bill asked for \$10,000 and the committee cut it down to a miserable \$3,500.

Mr. BACHMANN. In view of the fact that they are only asking \$3,500 I will withdraw my objection in this instance.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Samuel Schwartz the sum of \$10,000. Such sum shall be in full satisfaction of all claims against the United States for damages resulting from the death of Samuel Schwartz, who, on January 23, 1926, died from injuries received when run down and struck by a United States post-office truck January 22, 1926, in New York City.

With the following committee amendments:

On page 1, line 6, strike out "\$10,000" and insert in lieu thereof "\$3,500."

Page 1, line 11, at the end of the bill, insert the following:

"Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

MARGARET B. KNAPP

The Clerk called the next bill on the Private Calendar, H. R. 2036, for the relief of Margaret B. Knapp.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. EATON of Colorado. Mr. Speaker, I object.

Mr. CELLER. Will the gentleman withhold his objection until I can make an explanation of the bill?

Mr. EATON of Colorado. I will withhold the objection.

Mr. CELLER. I will say to the gentleman that this is a bill wherein a petition is made to Congress to pay a woman, Margaret B. Knapp, \$5,000.

After 19 years of faithful service, during which time, as the result of unremitting toil in the compilation of most important records, subsequently used in the war in the Quartermaster Corps, this woman developed a condition that brought on blindness. While it is true she wore glasses for a portion of her life, as a result of the very close attention she gave to her work, as indicated by the records in this case, particularly the medical testimony and the statements of the Compensation Commission, she is unable now to earn a livelihood, and in the evening of her life, after she is 50 years of age, she is thrown out of employment because of her disability, and the Government, to which she has given 19 years of faithful service might, if the gentleman's objection obtains, be so ill considerate of her needs as to give her nothing except the small amount she receives under the retirement act, something like \$37 per month.

I ask the gentleman to close his eyes for just half a minute and see how the world is shut out, and then picture to himself the closing of those eyes while life persists to the end of his days, and then he will realize the dreadful plight in which this woman finds herself.

Now, just bear with me and I will read to you what the chairman of the Compensation Commission recites in one of her letters that was submitted to the Committee on Claims:

The work Mrs. Knapp did for the Government during 1914 and 1915 appears to have been of such a nature that it might well be considered the proximate cause of her present disability. While she had been very nearsighted for many years previously, this eye condition had been nonprogressive.

I emphasize the word "nonprogressive," and parenthetically state that Bessie P. Brueggeman's letter—she being chairman of the commission—was submitted after she had read and studied the testimony of the medical experts, particularly those experts of the United States Army schooled in medicine. She goes on to say:

This eye condition had been nonprogressive until she was required to do unusually close eye work, from 1913 to 1915. As a direct result of that work she lost the vision of her right eye from an industrial standpoint. Also there seems to be no question that the special task to which she was assigned was the direct cause of the progressive development of the change of eye symptoms which subsequent medical reports confirm. The most recent medical report, that of May 15, 1930, by Dr. J. N. Greear of this city shows that Mrs. Knapp is for practical purposes industrially blind in both eyes.

[Here the gavel fell.]

Mr. CELLER. Mr. Speaker, I ask unanimous consent to further explain the bill, because this bill passed the Senate during two previous sessions, and it has been on this calendar for many years. The woman lives in San Francisco, and she came here after a great deal of difficulty to testify before the subcommittee. I beg the indulgence of the House in order that I may endeavor to change the mind of the gentleman who objects to this bill.

Mr. EATON of Colorado. Mr. Speaker, I have the greatest sympathy for the lady in her affliction. In the report it appears that in March, 1924, this claimant, Mrs. Knapp, was granted an annuity at the rate of \$432 per annum, having been found upon medical examination to be totally disabled for useful employment. That is the report of the Compensation Commission. There is nothing in the bill which shows anything except that this \$5,000 is to be added to the award heretofore made. There should not be two awards in this case, one a lump sum and the other an annuity. The least you should do, if you want a lump sum, is to cancel the annuity; if you have a case where sufficient annuity is withheld, then redraft the bill along that line. But unless and until there is some kind of a change in the pending bill I shall continue to object.

The SPEAKER pro tempore. Objection is heard. The Clerk will report the next bill.

#### JAMES RIVER BRIDGE CORPORATION

The Clerk called the next bill, H. R. 796, for the relief of the James River Bridge Corporation.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, we have no report from any member of the United States Shipping Board. I notice we have a report from the attorney of the interested claimant.

Mr. LANKFORD of Virginia. This bill passed the House last year and that report was not asked for. If it did not belong to the Shipping Board, there would be no suit. This bill simply gives them the right to prosecute the case in admiralty.

Mr. STAFFORD. Instead of incorporating the views of the attorney for the corporation, why not have the views also of the Government representative?

Mr. LANKFORD of Virginia. This is the first time I have had such a request. I would be very glad to have that, but this is the first time any request of that kind has been made, and I did not know it was going to be required. The bill passed the House last year and, as I have said, all it does is to give the admiralty court jurisdiction, a court that is used to handling claims of this kind. At present a bridge is not a subject of admiralty, but a ship ran into it and they want the admiralty rules to apply in the trial of the case. I am sure this vessel belonged to the Shipping Board. I do not know why there is not a letter here from them.

Mr. STAFFORD. The report is incomplete. I dislike to object because the bill merely submits the matter to the court.

Mr. LANKFORD of Virginia. I hope the gentleman will not object, because it is getting late in the session and I would like to have the bill passed.

Mr. STAFFORD. We ought to have a full report, but in this case I shall withdraw my reservation of objection.

There being no objection, the Clerk read the bill as follows:

*Be it enacted, etc.,* That the claim of the James River Bridge Corporation, a corporation organized and existing under the laws of the State of Virginia, for damages suffered by reason of injuries alleged to have been inflicted upon the draw fender of the Newport News James River Bridge, near Newport News, Va., by the steamship *Vittore Emanuele III*, alleged to belong to the United States, in a collision with said fender by the said steamship, occurring on or about the 9th day of April, 1929, may be submitted to the United States court in the district in which said bridge is, and in compliance with the rules of said court sitting as a court of admiralty; and the said court shall have jurisdiction to hear and determine the whole controversy and to enter a judgment or decree for the amount of the damages sustained by reason of said collision; and if any shall be found due either for or against the United States, upon the same principles and measure of liability with costs, as in like cases in admiralty between private parties, and with the same right of appeal: *Provided, however,* That any suit hereunder shall be instituted within four months after the passage of this act.

Sec. 2. That the mode of service of process upon the United States shall conform to the provisions of the act of March 3, 1887, entitled "An act to provide for the bringing of suits against the United States."

With the following committee amendment:

Page 2, line 6, after the word "damages," insert the words "if any."

The committee amendment was agreed to.

Mr. COLLINS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLLINS: Page 2, line 13, after the word "act," insert "Provided further, That no judgment can be rendered against the United States unless the said steamship was operated by the United States or by some governmental agency."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

#### GRANTING OF CERTAIN LANDS TO THE CITY OF NEW ORLEANS

Mr. FERNANDEZ. Mr. Speaker, I ask unanimous consent to take up out of order the bill (H. R. 8779) granting certain lands to the board of commissioners of the Orleans

levee district in the city of New Orleans, State of Louisiana, for levee and street purposes.

Mr. BACHMANN. Mr. Speaker, reserving the right to object, I want to permit the gentleman from Louisiana to make a statement and then I shall make an inquiry, and, I think, following that, I can withdraw my objection.

Mr. FERNANDEZ. Mr. Speaker, this legislation is necessary to change and move the levee at the foot of Esplanade Street for a distance of about half a mile. This requires the moving back of three railroad tracks, a street, and a sidewalk, and it is necessary to take 30 feet of property belonging to the Government.

Mr. BACHMANN. Will the gentleman yield?

Mr. FERNANDEZ. Yes.

Mr. BACHMANN. Has the gentleman taken this matter up with the Treasury Department and also with the Attorney General; and if so, what recommendation did he receive from the departments?

Mr. FERNANDEZ. The bill, in fact, was written by the Department of Justice, and I have their letter here, which I shall be pleased to put in the RECORD, and also the letter of the Treasury Department.

Mr. BACHMANN. If the gentleman will incorporate with his remarks the letter of the Treasury Department and the letter of the Department of Justice, and if the gentleman states now that there is absolute necessity for the passage of the bill on account of an emergency by reason of flood conditions and to prevent an overflow at this point in the levee, I shall withdraw any objection.

Mr. FERNANDEZ. I shall be pleased to do that.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the following-described land, to wit: A strip of land 210.02 feet in length and 30 feet in depth, fronting on North Peters Street, between Barracks Street and Esplanade Avenue, being a part of the Old Mint Site, transferred to the control and custody of the Department of Justice by the Secretary of the Treasury on May 15, 1931, and shown on a plan made by the chief engineer of the Board of Levee Commissioners, dated January 2, 1932, be, and the same is hereby, granted to the board of commissioners of the Orleans levee district, of New Orleans, La., for levee and street purposes; and the Attorney General is, upon the passage of this act, authorized to execute a proper quit-claim deed upon due proof of the organization and legal existence of the board of commissioners of the Orleans levee district.

Sec. 2. That the said lands are granted solely for levee and street purposes, and shall revert to and become the property of the United States of America, if used for any purpose whatsoever other than or foreign to those for which this donation is made.

Sec. 3. The transfer of this property and its use for the purpose mentioned shall be without expense to the United States of America.

Mr. FERNANDEZ. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein the letters referred to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. FERNANDEZ. Mr. Speaker, the bill under consideration by unanimous-consent request, H. R. 8779, Private Calendar No. 408, is for the purpose of acquiring an easement over a strip of land 210.02 feet in length and 30 feet in depth, fronting on North Peters Street, between Barracks Street and Esplanade Avenue, being a part of the old mint site transferred to the control and custody of the Department of Justice by the Secretary of the Treasury on May 15, 1931, and now used as a jail.

This 30-foot strip of land runs in front of the old United States mint site along North Peters Street. The acquisition of this strip of land will in no way interfere with the accessibility to and from the building.

The entire square of ground on which this strip of land is located was donated by the city of New Orleans, State of Louisiana, to the United States Government in 1835 for the purpose of erecting a branch of the Mint of the United

States and was used as a mint for a number of years. Only recently the Treasury Department authorized the transfer of this square of property to the Department of Justice for use as a jail.

The present existing levee, from Toulouse Street to Esplanade Avenue, the point where this land is located, is the one remaining portion of the levee line in the whole city of New Orleans that is not up to the standard height and cross section, and it is desired by the Orleans Levee Board, parish of Orleans, city of New Orleans, State of Louisiana, that this piece of construction be undertaken immediately following the high-water season of 1932 and completed as soon thereafter as practicable. It requires the moving back of railroad tracks, the street, and the sidewalks. However, none of this work can be commenced until authority is granted by Congress to use this small strip of land to set back the sidewalk and street. For this reason I have asked the unanimous consent of the House to consider the bill out of order so that the legislation may be enacted by this Congress which will grant the necessary right of way and in order that the Levee Board of the Parish of Orleans, city of New Orleans, State of Louisiana, can proceed as expeditiously as possible with their work.

It would be interesting, I believe, to state that Orleans Parish is building the levees on its 26 miles of Mississippi River front without any assistance or contribution from the United States.

As suggested by my friend, Congressman BACHMANN, and under the permission granted by the House, I include in my remarks a letter from Hon. Ferry K. Heath, Assistant Secretary of the Treasury, dated January 13, 1932, also letter from Hon. W. D. Mitchell, Attorney General, dated January 29, 1932.

Letter from the Assistant Secretary of the Treasury, Mr. Heath:

TREASURY DEPARTMENT,  
OFFICE OF THE ASSISTANT SECRETARY,  
Washington, January 13, 1932.

Hon. J. O. FERNANDEZ,

*House of Representatives, Washington, D. C.*

MY DEAR CONGRESSMAN: Receipt is acknowledged of your letter of January 4, 1932, relative to the proposed conveyance by the United States to the Board of Commissioners of the Orleans Levee District for street and levee purposes of a strip of land of a uniform width of 30 feet off the North Peters Street side of the old United States Mint Building site at New Orleans, La.

I have the honor to inform you that the aforesaid building is now in the custody and care of the Department of Justice, the formal transfer of said mint building for use as a jail having been approved by this department, effective as of May 15, 1931.

In view of the foregoing, it is suggested that the question as to whether or not the proposed transfer of the aforesaid 30-foot strip of the site to the Orleans Levee District commissioners would affect the occupancy and use of the aforesaid building be submitted to the Department of Justice.

Draft of bill for the proposed transfer and sketches showing the dimensions of the 30-foot strip in question are returned to you herewith.

Very truly yours,

FERRY K. HEATH,  
Assistant Secretary of the Treasury.

Letter from the Attorney General, Mr. Mitchell:

DEPARTMENT OF JUSTICE,  
OFFICE OF THE ATTORNEY GENERAL,  
Washington, D. C., January 29, 1932.

Hon. J. O. FERNANDEZ,

*House of Representatives, Washington, D. C.*

DEAR MR. CONGRESSMAN: This will acknowledge the receipt of your letter of January 19, 1932, inclosing draft of bill to transfer to the Board of Levee Commissioners of the Orleans Levee District a strip of land in front of the old mint building, now being remodeled for use as a Federal jail, for the purpose of rebuilding the levees in that region to protect the city of New Orleans from the Mississippi River.

This bill has been studied by the department, and I am inclosing another draft containing a few suggestions which we believe clarified to some extent the draft submitted by the Orleans Levee Commission.

Yours very truly,

W. D. MITCHELL, Attorney General.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

## ADJOURNMENT

Mr. RAINEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 30 minutes p. m.) the House adjourned until to-morrow, Thursday, March 10, 1932, at 12 o'clock noon.

## COMMITTEE HEARINGS

Mr. RAINEY submitted the following tentative list of committee hearings scheduled for Thursday, March 10, 1932, as reported to the floor leader by clerks of the several committees:

## COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

General legislation.

## COMMITTEE ON THE POST OFFICE AND POST ROADS

(10 a. m.)

Bill to fix the rate of postage on certain periodicals exceeding 8 ounces in weight (H. R. 6688).

## COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(10 a. m.)

Merchants' airship bill (H. R. 8681).

## COMMITTEE ON COINAGE, WEIGHTS, AND MEASURES

(10 a. m.)

Depressed value of silver (H. Res. 72).

## COMMITTEE ON IMMIGRATION AND NATURALIZATION

(10.30 a. m.)

Bill to reduce certain naturalization fees (H. R. 9498).

Bill to provide for review of the action of consular officers in refusing immigration visas (H. R. 8878).

Bill to repeal certain laws providing that certain aliens who have filed declarations of intention to become citizens of the United States shall be considered citizens for the purpose of service and protection on American ships (H. R. 6710).

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. OVERTON: Committee on Flood Control. H. R. 9451. A bill to provide a preliminary examination of the Flint River, Ala. and Tenn., with a view to the control of its floods; without amendment (Rept. No. 751). Referred to the Committee of the Whole House on the state of the Union.

Mr. OVERTON: Committee on Flood Control. H. R. 9452. A bill to provide a preliminary examination of Flint Creek and its branches in Morgan County, Ala., with a view to the control of its floods; without amendment (Rept. No. 752). Referred to the Committee of the Whole House on the state of the Union.

Mr. OVERTON: Committee on Flood Control. H. R. 9453. A bill to provide a preliminary examination of Cataco Creek and its branches in Morgan County, Ala., with a view to the control of its floods; without amendment (Rept. No. 753). Referred to the Committee of the Whole House on the state of the Union.

Mr. BUTLER: Committee on Irrigation and Reclamation. H. R. 8164. A bill for the rehabilitation of the Stanfield project, Oregon; with amendment (Rept. No. 755). Referred to the Committee of the Whole House on the state of the Union.

Mr. STEAGALL: Committee on Banking and Currency. H. R. 8694. A bill to amend section 5202, United States Revised Statutes, as amended (U. S. C., title 12, ch. 2, sec. 82), and for other purposes; without amendment (Rept. No. 756). Referred to the Committee of the Whole House on the state of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. NOLAN. Committee on the Public Lands. H. R. 8219. A bill for the relief of certain riparian owners for

losses sustained by them on the drained Mud Lake bottom in Marshall County in the State of Minnesota; with amendment (Rept. No. 750). Referred to the Committee of the Whole House.

Mr. LEAVITT: Committee on Indian Affairs. H. R. 9331. A bill for the relief of Octavia Gulick Stone; with amendment (Rept. No. 754). Referred to the Committee of the Whole House.

## CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 8889) granting a pension to Reuben Franklin and the same was referred to the Committee on Invalid Pensions.

By Mr. GOODWIN: A bill (H. R. 10358) to amend an act entitled "An act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes"; to the Committee on Ways and Means.

By Mr. PALMISANO: A bill (H. R. 10359) to amend sections 5 and 6 of the act of June 30, 1906, entitled "An act to prohibit the killing of wild birds and wild animals in the District of Columbia," and thereby to establish a game and bird sanctuary of the Potomac River and its tributaries in the said District; to the Committee on the District of Columbia.

By Mr. GOODWIN: A bill (H. R. 10360) to amend an act entitled "An act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes"; to the Committee on Ways and Means.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GILLEN: A bill (H. R. 10324) to amend the civil service retirement act in regard to eligibility for retirement in case of ex-service men, and for other purposes; to the Committee on the Civil Service.

By Mr. KNUTSON: A bill (H. R. 10325) to set aside certain lands for the Leech Lake Band of Chippewa Indians in the State of Minnesota; to the Committee on Indian Affairs.

By Mr. LANKFORD of Georgia: A bill (H. R. 10326) to provide for the settlement of past-due interest and installments due Federal land banks, to prevent foreclosure of loans due such banks, and for other purposes; to the Committee on Banking and Currency.

By Mr. REILLY: A bill (H. R. 10327) to provide a separate promotion list for the Judge Advocate General's Department of the Army, and for other purposes; to the Committee on Military Affairs.

By Mr. LUDLOW: A bill (H. R. 10328) to prohibit loans or advances by the Federal Farm Board to any cooperative association or stabilization corporation paying salaries in excess of \$15,000 per annum, and for other purposes; to the Committee on Banking and Currency.

By Mr. RAYBURN: A bill (H. R. 10329) to amend section 21 of the act approved June 5, 1920, entitled "An act to provide for the promotion and maintenance of the American merchant marine, to repeal certain emergency legislation and to provide for the disposition, regulation, and use of property acquired thereunder, and for other purposes," as applied to the Virgin Islands of the United States; to the Committee on the Merchant Marine, Radio, and Fisheries.

By Mr. DICKSTEIN (by request): A bill (H. R. 10357) to amend the act of February 25, 1927 (44 Stat. 1234), entitled "An act to confer United States citizenship upon certain inhabitants of the Virgin Islands and to extend the naturalization laws thereto," to clarify the application thereof to certain persons born in the Virgin Islands, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. CHRISTOPHERSON: Resolution (H. Res. 170) requesting the United States Tariff Commission to investigate and report on the effect of the differences in rate of

exchange on the tariff on butter; to the Committee on Ways and Means.

By Mr. HOWARD: Joint resolution (H. J. Res. 324) relating to wheat held by the Wheat Stabilization Corporation; to the Committee on Agriculture.

By Mr. CHASE: Joint resolution (H. J. Res. 325) providing certain restrictions as to aliens becoming citizens of the United States; to the Committee on Immigration and Naturalization.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN: A bill (H. R. 10330) granting a pension to Lucretia M. Phelps; to the Committee on Invalid Pensions.

By Mr. ARNOLD: A bill (H. R. 10331) authorizing Walter S. Crosley, rear admiral, United States Navy, to accept the award of the Order of the Crown of Italy tendered him; to the Committee on Naval Affairs.

By Mr. BOWMAN: A bill (H. R. 10332) granting an increase of pension to Eva Shaver; to the Committee on Invalid Pensions.

By Mr. CARDEN: A bill (H. R. 10333) granting a pension to Ollie Wilhelm Smith; to the Committee on Invalid Pensions.

By Mr. COLLINS: A bill (H. R. 10334) for the relief of Hunter George Taft; to the Committee on Naval Affairs.

By Mr. CONNOLLY: A bill (H. R. 10335) for the relief of Gottfried J. Maier; to the Committee on War Claims.

By Mr. CROWTHER: A bill (H. R. 10336) for the relief of LeRoy C. Sherman; to the Committee on Claims.

By Mr. DIES: A bill (H. R. 10337) for the relief of W. B. Terry; to the Committee on Claims.

By Mr. FREAR: A bill (H. R. 10338) granting a pension to Edwin H. Tarbox; to the Committee on Pensions.

By Mr. GASQUE: A bill (H. R. 10339) granting a pension to Josephine Hammond; to the Committee on Pensions.

By Mr. GUYER: A bill (H. R. 10340) granting an increase of pension to Frances Edna Morrow; to the Committee on Invalid Pensions.

By Mr. HOLLISTER: A bill (H. R. 10341) granting a pension to Paul D. Bogle; to the Committee on Pensions.

By Mr. IGOE: A bill (H. R. 10342) granting a pension to Sarah F. Roth; to the Committee on Pensions.

By Mr. KENDALL: A bill (H. R. 10343) granting an increase of pension to Mary E. Wetmiller; to the Committee on Invalid Pensions.

By Mr. KURTZ: A bill (H. R. 10344) granting a pension to Mary Singleton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10345) granting an increase of pension to Barbara Martin; to the Committee on Invalid Pensions.

By Mr. LUDLOW: A bill (H. R. 10346) to correct the military record of William A. Bise; to the Committee on Military Affairs.

By Mr. MILLIGAN: A bill (H. R. 10347) granting an increase of pension to Nancy A. Smalley; to the Committee on Invalid Pensions.

By Mrs. OWEN: A bill (H. R. 10348) to incorporate the Women's National Aeronautical Association of the United States of America; to the Committee on the Judiciary.

By Mr. SHANNON: A bill (H. R. 10349) for the relief of Albert P. Dunbar; to the Committee on Military Affairs.

By Mr. SIMMONS: A bill (H. R. 10350) granting a pension to Edward P. Gillespie; to the Committee on Pensions.

By Mr. SUMMERS of Washington: A bill (H. R. 10351) approving and confirming contract for apportionment of waters of Ahtanum Creek, Wash., between Yakima Indian Reservation and lands north thereof, dated May 9, 1908; to the Committee on Irrigation and Reclamation.

By Mr. SWICK: A bill (H. R. 10352) granting an increase of pension to Sarah M. Armstrong; to the Committee on Invalid Pensions.

By Mr. THOMASON: A bill (H. R. 10353) for the relief of William W. Baird; to the Committee on Military Affairs.

By Mr. WELSH of Pennsylvania: A bill (H. R. 10354) for the relief of James H. Conlin; to the Committee on Military Affairs.

By Mr. WHITE: A bill (H. R. 10355) granting an increase of pension to Mattie Talbot; to the Committee on Invalid Pensions.

By Mr. WILLIAMS of Texas: A bill (H. R. 10356) for the relief of the heirs of J. G. Lane; to the Committee on War Claims.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3888. By Mr. ANDREWS of New York: Resolution adopted by the American Hotel Association of the United States and Canada, asking restoration to the several States of the right of the people to enact such liquor laws as they may respectively choose; to the Committee on the Judiciary.

3889. By Mr. BEAM: Memorial of Group No. 2368 of the Polish National Alliance, memorializing Congress to enact House Joint Resolution 144 directing the President to proclaim October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

3890. By Mr. BLANTON: Petition of Hon. R. E. Johnson and 265 other citizens and officials of Burnet County, Tex., urging Congress to pass immediately a bill to require the Government to pay off in cash at once the adjusted-compensation certificates due the veterans of the World War; to the Committee on Ways and Means.

3891. Also, petition of the Chamber of Commerce of Abilene, Tex., in the form of resolution adopted February 29, 1932, and presented by its president, Hon. P. A. Tower, and its secretary, Hon. T. N. Carswell, under seal, requesting Congress to repeal the recapture provisions of section 15(a) of the interstate commerce act; to the Committee on Interstate and Foreign Commerce.

3892. Also, petition of the Lions Club of Winters, the Winters Chamber of Commerce, the Board of Trustees of the Winters Independent School District, the Diversity Club, the Literary and Service Club of Winters, the Board of Aldermen of the City of Winters, the Parent and Teachers Associations, and 100 leading citizens of Winters, Tex., urging Congress to pass immediately the Patman bill, H. R. 1, to pay off in cash the adjusted-compensation certificates; to the Committee on Ways and Means.

3893. Also, petition of the members of the Roy Scoggins Post, No. 261, American Legion, of Winters, Tex., presented through Dr. Roy C. Maddox, post commander, and J. A. Huffine, adjutant, and of the Ladies' Auxiliary of the American Legion, presented by Mrs. M. Luther Owens, president, and Mrs. Roy C. Maddox, secretary, urging Congress to pass the Patman bill, H. R. 1, to pay immediately in cash the adjusted-compensation certificates; to the Committee on Ways and Means.

3894. Also, petition of 59 leading citizens of Marble Falls, Tex., presented by Walter Cox, urging Congress to pass immediately the Patman bill, H. R. 1, to pay off in cash the adjusted-compensation certificates; to the Committee on Ways and Means.

3895. Also, petition of the county officers, the city officials, the chamber of commerce, the Parent-Teachers Association, and leading citizens of Llano, Tex., urging Congress to pass immediately the Patman bill, H. R. 1, to pay off in cash the adjusted-compensation certificates to veterans of the World War; to the Committee on Ways and Means.

3896. By Mr. BOYLAN: Resolutions adopted by American Hotel Association of the United States and Canada, through its executive council in session at Chicago, Ill., urging the restoration to the several States of the right of the people to enact such liquor laws as they may respectively choose, or if they wish, for the prohibition of the liquor trade, providing such legislation shall not conflict with the duty of the Federal Government to protect each State against violation of its laws by citizens of other States; to the Committee on the Judiciary.

3897. Also, letter from the New York Employing Printers' Association (Inc.), New York City, N. Y., favoring the passage of House bill 8576; to the Committee on Printing.

3898. Also, letter from the Brooklyn Printers' Group, Brooklyn, N. Y., favoring the passage of House bill 8576; to the Committee on Printing.

3899. Also, letter from the International Photo-Engravers' Union of New York, N. Y., favoring the passage of the Norris-LaGuardia injunction relief bill; to the Committee on the Judiciary.

3900. By Mr. BRUNNER: Resolutions of the Community Councils of the City of New York (Inc.), favoring the enactment by Congress of House bill 8765, to protect labor in its old age, etc.; to the Committee on Labor.

3901. By Mr. BUCKBEE: Petition of Group No. 112 of the Polish National Alliance of the United States, St. Hyacinth's School, LaSalle, Ill., asking Congress to enact House Joint Resolution 144, directing the President to proclaim October 11 of each year as General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

3902. By Mr. CONNOLLY: Petition of Group No. 342 of the Polish National Alliance of the United States, Philadelphia, Pa., praying for passage of House Joint Resolution 144, directing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

3903. By Mr. CULLEN: Petition of the American Hotel Association of the United States and Canada, favoring the restoration to the several States of the right of their people to enact such liquor laws as they may respectively choose, or if they wish, for the prohibition of the liquor trade, provided such legislation shall not conflict with the duty of the Federal Government to protect each State against violation of its laws by citizens of other States; to the Committee on the Judiciary.

3904. By Mr. EVANS of California: Petition signed by approximately 24 persons, protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

3905. By Mr. FERNANDEZ: Petition of citizens of New Orleans, La., opposing Senate bill 1202 and House bill 8092, providing for closing of the barber shops on Sundays in the District of Columbia, or any other compulsory religious measures; to the Committee on the District of Columbia.

3906. By Mr. GARBER: Petition of the National Cooperative Council, protesting against limitation of appropriations for Federal Farm Board; to the Committee on Appropriations.

3907. Also, petition of the Blackwell (Okla.) Unit of Disabled American Veterans; E. J. Behrend, of Boise City; Golmon M. Rhodes and Clarence Leverick, of Enid; James Hennessy Post, American Legion, of Braman; Tarrant Murphy Post, American Legion, of Hooker; Beaver Post, No. 194, American Legion, of Beaver; American Legion, Post No. 19, of Woodward; H. C. Doherty, cashier, Bank of Burlington, Burlington; John C. Jacobs, of Perry, all of the State of Oklahoma; and Texas Pay Bonus Now Organization; urging payment of the adjusted-compensation certificates without deduction of interest on outstanding loans; to the Committee on Ways and Means.

3908. By Mr. GARRETT: Petition of Farmers of Navasota, Tex., supporting the agricultural act; to the Committee on Agriculture.

3909. By Mr. GIBSON: Petition of Peter O. George and 34 other residents of Barre, Vt., protesting against the increased tax on gasoline; to the Committee on Ways and Means.

3910. By Mr. JOHNSON of Texas: Petition of Carrie Hostrasser, of Hearne, Tex., opposing any change in present limitation on prescriptions of physicians relative to medicinal liquors; to the Committee on the Judiciary.

3911. Also, petition of Texas Cotton Cooperative Association, O. M. Lowry, editor of Texas Cooperative News, and

Texas Cooperative Council, opposing proposed reduction of appropriation for Federal Farm Board; to the Committee on Appropriations.

3912. By Mr. LAMNECK: Petition of Harold B. Leonard, Stacey Wieman, Samuel Horney, and 25 other citizens of the city of Columbus, Ohio, petitioning Congress to enact such legislation at this time as is necessary to curb the activities of the growing monopolistic organizations throughout the country commonly known as the chain-store system; to the Committee on Interstate and Foreign Commerce.

3913. Also, petition of Glenn M. Logsdon, Raymond F. Turner, Edward C. Fraas, and 25 other citizens of the city of Columbus, Ohio, petitioning Congress to enact such legislation at this time as is necessary to curb the activities of the growing monopolistic organizations throughout the country commonly known as the chain-store system; to the Committee on Interstate and Foreign Commerce.

3914. By Mr. LINDSAY: Petition of Legislature of the State of New York, referring to tax on savings and loan associations; to the Committee on Banking and Currency.

3915. Also, petition of the American Hotel Association, favoring the Beck-Linthicum bills; to the Committee on the Judiciary.

3916. Also, petition of State Legislature of the State of New York, referring to the Federal estate tax; to the Committee on Ways and Means.

3917. Also, petition of John J. Daly, of New York City, favoring the continuance of the Sea Service Bureau; to the Committee on Appropriations.

3918. By Mr. MURPHY: Letter from H. E. McFadden, cashier, National Exchange Bank of Steubenville, Ohio, protesting against the placing of an admission tax on tickets to moving-picture theaters and other low-priced amusements; to the Committee on Ways and Means.

3919. Also, telegram from Will T. Blake, of East Liverpool, Ohio, stating, "Condition of theaters here could not stand tax, feel certain this would work unwarrantable burden on this industry"; to the Committee on Ways and Means.

3920. Also, telegram from William M. Tallman, of East Liverpool, Ohio, protesting against placing an admission tax on tickets to theaters and other low-priced amusements; to the Committee on Ways and Means.

3921. Also, telegram from C. V. Hughes, of East Liverpool, Ohio, protesting against a 10 per cent tax on tickets to moving-picture theaters and other low-priced amusements; to the Committee on Ways and Means.

3922. Also, telegram from W. A. Mills, manager Chamber of Commerce of Steubenville, Ohio, protesting against the placing of a luxury tax on admissions to moving-picture theaters and other low-priced amusements, the sole source of entertainment of the average industrial worker; to the Committee on Ways and Means.

3923. Also, telegram from George J. Barthold, opposing an admission tax on tickets to moving-picture theaters selling for 50 cents or less; to the Committee on Ways and Means.

3924. Also, telegram from Harry L. May, protesting against placing an admission tax on tickets to amusements costing 50 cents or less; to the Committee on Ways and Means.

3925. Also, telegram from Wilma Sinclair Le Van and Frank D. Sinclair, of Steubenville, Ohio, protesting against the luxury tax to moving-picture theaters costing 50 cents or less; to the Committee on Ways and Means.

3926. Also, telegram from J. C. McMasters, mayor of Steubenville, Ohio, protesting against the luxury tax on admission tickets to moving-picture theaters and other low-priced amusements; to the Committee on Ways and Means.

3927. By Mr. PATMAN: Petition of John Griffin and 267 other citizens and veterans of Youngstown, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3928. Also, petition of E. E. Brown and 2,449 other citizens and veterans of Akron, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3929. Also, petition of Harry C. Norgen and 590 other citizens and veterans of Cincinnati, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3930. Also, petition of Joe Merritt and 36 other citizens and veterans of Washington, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3931. Also, petition of Frank Klesh and 335 other citizens and veterans of Cleveland, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3932. Also, petition of W. E. Loftin and 389 other citizens and veterans of Springfield, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3933. Also, petition of Earl Mock and 80 other citizens and veterans of Lima, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3934. Also, petition of W. G. Hipe and 30 other citizens and veterans of Harrod, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3935. Also, petition of J. B. Anderson and 251 other citizens and veterans of Bainbridge and Greenfield, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3936. Also, petition of Charles W. Gorra and 27 other citizens and veterans of Marietta, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3937. Also, petition of Robert S. Nance and 40 other citizens and veterans of Sabina, Leesburg, Highland, Wilmington, and Washington, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3938. Also, petition of H. O. Davis and 14 other citizens and veterans of Buffalo and Cambridge, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3939. Also, petition of John L. Livingston and 45 other citizens and veterans of Alhambra, San Gabriel, Rosemead, Pasadena, Temple City, Taft, and Los Angeles, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3940. Also, petition of W. O. Birdsell and 56 other citizens and veterans of Santa Barbara and Carpinteria, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3941. Also, petition of Vina J. Blumberg and 46 other citizens and veterans of Redondo Beach and Lawndale, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3942. Also, petition of Robert Blackman and 55 other veterans of Palo Alto, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3943. Also, petition of J. W. Sturgron and 27 other citizens and veterans of Santa Barbara, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3944. Also, petition of M. A. Baird and 27 other citizens and veterans of San Jose, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3945. Also, petition of W. B. Ekesen and 135 other citizens and veterans of San Francisco, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3946. Also, petition of Thomas Jackson and 209 other citizens and veterans of Stockton, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3947. Also, petition of E. F. Rodgers and 99 other citizens and veterans of Delhi, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3948. Also, petition of William J. Kearney and 69 other citizens and veterans of Sacramento, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3949. Also, petition of Paul I. Robinson and 100 other citizens and veterans of Oakland, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3950. Also, petition of George E. Mallow and 300 other citizens and veterans of Long Beach, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3951. Also, petition of James E. Walton and 83 other citizens and veterans of Burbank, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3952. Also, petition of George Ringwald and 174 other citizens and veterans of Salem, Oreg., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3953. Also, petition of Floyd T. Terrill and 23 other citizens and veterans of Eugene, Oreg., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3954. Also, petition of Edwin O. Kjos and 17 other citizens and veterans of Lake Grove, Oreg., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3955. Also, petition of Paul O. Doyle and 55 other citizens and veterans of Portland, Oreg., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3956. Also, petition of Cary L. Farquhar and 36 other citizens and veterans of Newark, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3957. Also, petition of Bernard Nill and 321 other veterans of Dayton, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3958. Also, petition of Raymond L. Baiter and 125 other citizens and veterans of Cincinnati and Norwood, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3959. Also, petition of C. W. Evans and 139 other citizens and veterans of Urbana, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3960. Also, petition of Austin Wheeler and 1,135 other citizens and veterans of Cleveland, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3961. Also, petition of Dallas P. Welch and 994 other citizens and veterans of Canton, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3962. Also, petition of H. Arthur Wagner and 310 other citizens and veterans of Zanesville, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3963. Also, petition of George Shumiko and 55 other citizens and veterans of Bellaire and Martins Ferry, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3964. Also, petition of Wilmer C. Johnson and 55 other citizens and veterans of Chippewa Falls, Wis., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3965. Also, petition of Paul J. Lozon and 174 other citizens and veterans of Superior, Wis., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3966. Also, petition of E. R. Daniels and 18 other citizens and veterans of Milwaukee, Wis., urging immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3967. Also, petition of Alexander F. Chavez and 31 other citizens and veterans of Madison, Wis., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3968. Also, petition of R. L. Allen and eight other citizens and veterans of Hurley, Wis., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3969. Also, petition of Otto J. Kramer and 134 other citizens and veterans of Baraboo, Wis., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3970. Also, petition of F. W. McMahon and 559 other citizens and veterans of Casper, Wyo., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3971. Also, petition of Albert W. Wolf and 199 other citizens and veterans of Washington, D. C., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3972. Also, petition of Neil A. McGee and 324 other citizens and veterans of Erwin, N. C., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3973. Also, petition of Raymond Snyder and 449 other disabled veterans of Oteen, N. C., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3974. Also, petition of James S. Burton and 223 other citizens and veterans of Greensboro, N. C., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3975. Also, petition of Edward D. Smith and 21 other business men of Durham, N. C., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3976. Also, petition of F. A. Plummer and 42 other citizens and veterans of Asheville, N. C., and vicinity, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3977. Also, petition of J. J. Connor and 223 other citizens and veterans of Manchester, N. H., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3978. Also, petition of Thomas B. Henry and 49 other citizens and veterans of Roswell, N. Mex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3979. Also, petition of Howard K. Shime and 59 other citizens and veterans of Tucumcari, N. Mex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3980. Also, petition of Joseph W. Stevens and 30 other citizens and veterans of Fremont, Nebr., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3981. Also, petition of Charles H. Guyger and 139 other citizens and veterans of Omaha, Nebr., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3982. Also, petition of A. L. Herbert and 139 other citizens and veterans of Lincoln, Nebr., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3983. Also, petition of Charles Blakely and 324 other citizens and veterans of Shawnee, Okla., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3984. Also, petition of J. W. Maddux and 60 other citizens and veterans of Circleville, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3985. Also, petition of N. K. Stevens and 31 other citizens and veterans of St. Clairsville, New Philadelphia, Midvale, Clinton, and Dover, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3986. Also, petition of Edward G. Jones and 55 other veterans of Sandusky and Erie, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3987. Also, petition of James Neitzelt and 55 other citizens and veterans of Barton, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3988. Also, petition of Harry Freeman and 34 other citizens and veterans of North Lewisburg, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3989. Also, petition of J. O. Maxwell and 11 other veterans of Dallas, Tex., indorsing immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3990. Also, petition of Hanson American Legion Post, Amarillo, Tex., and signed by R. R. Nation and 23 other members of said post, 1,000 strong, urging immediate cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

3991. Also, petition of D. E. Young and 160 other citizens and veterans of Cleveland, Liberty County, Tex., urging immediate cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

3992. Also, petition of Jay W. Barr and 41 other citizens of Palacios, Tex., urging immediate full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3993. Also, petition of A. P. McDaniel and 17 other business men and veterans of Beaumont, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3994. Also, petition of J. M. McLaurin and 24 other business men and veterans of Port Arthur, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3995. Also, petition of C. F. Williams Co., jewelers; Sun Pharmacy; Corpus Christi Press; White-Fry Realty & Insurance Co., of Corpus Christi; Retail Merchants Association and the First National Bank, of Weslaco; Palacios State Bank & Trust Co., Palacios; and Sheet Metal Workers International Association, Houston, all of the State of Texas, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3996. Also, petition of Willey J. Pope and 39 other citizens and veterans of DeKalb, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3997. Also, petition of E. R. Walsh and 134 other citizens and veterans of Houston, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3998. Also, petition of Henry Cooper and 92 other citizens and veterans of Beaumont, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3999. Also, petition of J. S. Sanford and 959 other citizens and veterans of Terrell, Tex., and vicinity, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4000. By Mr. ROBINSON: Petition signed by J. E. Armstrong, 1103 Logan Avenue, and 100 other citizens of Waterloo, Iowa, urging, first, a thorough reduction of the Federal salary and wage scale; second, the elimination of all Government positions and functions which constitute a duplication of the position or function in another department or bureau; third, the elimination of every bureau, position, and function of the Federal service, the maintenance of which is not consonant with strictest economy; in brief, we hereby record our conviction that Congress and other Government

officials must find ways and means to reduce taxes and that such reduction must come about principally through a wholesale reduction in the expenditures of the Federal Government; to the Committee on Ways and Means.

4001. Also, petition signed by Harold B. Plumb, 601 Broadway, and 35 other citizens of Waterloo, Iowa, urging, first, a thorough reduction of the Federal salary and wage scale; second, the elimination of all Government positions and functions which constitute a duplication of the position or function in another department or bureau; third, the elimination of every bureau, position, and function of the Federal service, the maintenance of which is not consonant with strictest economy; in brief, we hereby record our conviction that Congress and other Government officials must find ways and means to reduce taxes and that such reduction must come about principally through a wholesale reduction in the expenditures of the Federal Government; to the Committee on Ways and Means.

4002. Also, petition signed by A. H. Head and 635 other citizens of Waterloo, Iowa, urging, first, a thorough reduction of the Federal salary and wage scale; second, the elimination of all Government positions and functions which constitute a duplication of the position or function in another department or bureau; third, the elimination of every bureau, position, and function of the Federal service the maintenance of which is not consonant with strictest economy; in brief, we hereby record our conviction that Congress and other Government officials must find ways and means to reduce taxes and that such reduction must come about principally through a wholesale reduction in the expenditures of the Federal Government; to the Committee on Ways and Means.

4003. By Mr. RUDD: Petition of New York Employing Printers Association (Inc.), New York City, favoring the passage of the Romjue bill, H. R. 8576; to the Committee on Ways and Means.

4004. Also, petition of the Legislature of the State of New York, favoring amending section 5219 of the United States Revised Statutes in such a manner that, as amended, it will (a) relieve the several States of the necessity of imposing a tax upon savings and loan associations of the purely mutual type, being a tax which under present conditions the State must impose, etc.; to the Committee on Banking and Currency.

4005. Also, petition of the Legislature of the State of New York, favoring substantial increase in rates of the Federal estate tax; to the Committee on Ways and Means.

4006. Also, petition of William Nitschke, Long Island City, N. Y., opposing the 10 per cent tax on theater admissions; to the Committee on Ways and Means.

4007. Also, petition of International Photo-Engravers Union of North America, favoring the Norris-LaGuardia injunction relief bill; to the Committee on the Judiciary.

4008. Also, petition of the American Hotel Association, favoring the Beck-Linthicum bills; to the Committee on the Judiciary.

4009. By Mr. TIERNEY: Petition of Council No. 11, Sons and Daughters of Liberty, of Danbury, Conn., protesting against communists; to the Committee on the Judiciary.

4010. By Mr. WEST: Petition of 23 members of the Ohio Railroad Employees and Citizens League, protesting against the unjust, unreasonable, and discriminatory operation of inadequately regulated and taxed busses and trucks engaged in interstate commerce, and against the subsidizing of water and other competitive transportation with taxpayers' money against well-regulated railroads; to the Committee on Interstate and Foreign Commerce.

4011. By Mr. WYANT: Petition of Arles Linsey, of Hanastown, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4012. Also, petition of William D. Colston, of Monessen, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4013. Also, petition of Sara Harvey, Cokeville, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4014. Also, petition of Fernando Zanetti, of Derry, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4015. Also, petition of Glenn A. Amend, of Derry, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4016. Also, petition of D. J. C. O'Donnell, commander Department of Pennsylvania, Veterans of Foreign Wars of the United States, urging support of veteran legislation providing pensions for widows, orphans, and dependents of World War veterans, and immediate cash payment of adjusted-service certificates to World War veterans; to the Committee on World War Veterans' Legislation.

4017. Also, petition of C. R. Barclay, adjutant, William Harr Davidson Post, No. 114, the American Legion, Vandergrift, Pa., opposing any reduction whatever in national defense program, and opposing Rankin bill 8578; to the Committee on World War Veterans' Legislation.

4018. Also, petition of William Schuster, of Scottdale, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4019. Also, petition of Samuel J. Austin, of Derry, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4020. Also, petition of Earnest Long, Arthur Johnson, and Joe Harvey, of New Kensington, Pa., urging support of immediate full cash payment of adjusted-compensation certificates to World War veterans; to the Committee on Ways and Means.

4021. Also, petition of Thomas B. Anderson Post, No. 515, the American Legion, Latrobe, Pa., urging immediate full cash payment of adjusted-compensation certificates to World War veterans; to the Committee on Ways and Means.

4022. Also, petition of Harry B. Lessig Post, No. 330, Veterans of Foreign Wars, of Leechburg, Pa., urging support of immediate full cash payment of adjusted-compensation certificates to World War veterans; to the Committee on Ways and Means.

4023. Also, petition of B. Ray Bitz, of United, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4024. Also, petition of Paul C. Watte, of Derry, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4025. Also, petition of William Humelsine, of Irwin, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4026. Also, petition of Chestnut Ridge Post, No. 444, Veterans of Foreign Wars, Derry, Pa., urging immediate full cash payment of adjusted-compensation certificates to World War veterans; to the Committee on Ways and Means.

4027. Also, petition of Group No. 1100 of the Polish National Alliance, Mount Pleasant, Pa., urging support of House Joint Resolution 144 proclaiming October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

4028. Also, petition of Philip J. Vogel, district commander, Department of Pennsylvania, Veterans of Foreign Wars, urging support of House bill 1 providing immediate cash payment of adjusted-compensation certificates to World War veterans; to the Committee on Ways and Means.

4029. Also, petition of R. R. McKowen, of Derry, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4030. Also, petition of Group No. 1147 of the Polish National Alliance, Smithton, Pa., urging support of House Joint Resolution 144 proclaiming October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

4031. Also, petition of Martha C. Beattie, of New Alexandria, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4032. Also, petition of Charlie J. Robinson, of Hannastown, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4033. Also, petition of Harry Ashbaugh, New Alexandria, Westmoreland County, Pa., urging full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4034. Also, petition of J. B. Luckner, of Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4035. Also, petition of Mr. and Mrs. Harry H. Cosil, of Monessen, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4036. Also, petition of M. Pavlo, disabled Pennsylvania veteran, now in veterans' hospital, Fort Bayard, N. Mex., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4037. Also, petition of Isaac W. Luther, of Ligonier, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

## SENATE

THURSDAY, MARCH 10, 1932

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

Unto Thee, O Father of the world, who hast made and lovest all, we commit the keeping of our souls, desiring of Thee whatsoever things are necessary for ourselves and for all men. Grant to us this day to know the joy that comes to those who serve, the joy that overtakes us when, in response to the call of duty, we hold fast to the truth that is revealed to us, however difficult and exacting its demands may be, and follow the guidance of Thy Holy Spirit, which ever lures us from the realm of lower impulse with its heat of passion to the higher, clearer atmosphere of sober judgment.

Again we invoke Thy blessing upon our President, Vice President, Members of the Congress, all who bear rule in our beloved land, every home and fireside, every citizen and sojourner in our midst, that peace and prosperity may abound and righteousness exalt us as a nation among the nations of the world. Through Jesus Christ our Lord. Amen.

### THE JOURNAL

The Chief Clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. Fess and by unanimous consent, the further reading was dispensed with and the Journal was approved.

### LIMITATION OF FEDERAL POWERS TO ENJOIN STATE REGULATORY COMMISSIONS

Mr. JOHNSON. Mr. President, I ask leave to have printed in the RECORD a letter to me from Hon. Clyde L. Seavey, president of the Railroad Commission of the State of California, and an address delivered by him, together with a statement of authorities upon the proposed amendment of section 24 of the Judicial Code, legislation for which is now pending before the Congress.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

RAILROAD COMMISSION OF THE STATE OF CALIFORNIA,  
San Francisco, Calif., December 9, 1931.

HON. HIRAM W. JOHNSON,  
Washington, D. C.

MY DEAR SENATOR JOHNSON: For many years past it has been the desire of this commission—and, we venture to say, the desire of practically all State public utility regulatory commissions throughout the country—that Congress enact certain legislation designed to limit the powers now possessed by the United States district courts to enjoin State regulatory orders. It is the view of State regulatory commissions generally that State courts in the first instance should be permitted to pass upon the validity of State regulatory orders, and that the Federal courts should be without jurisdiction to enjoin such orders when the State procedure affords to the utilities a plain, speedy, and adequate remedy.

Jurisdiction of the Federal courts to restrain State administrative action is derived from United States Code, title 28, section 41 (formerly Judicial Code, sec. 24), and United States Code, title 28, section 380 (formerly Judicial Code, sec. 266). Historically it should be noted that the courts of each State enjoyed full power prior to 1875 to construe their statutes and say what they meant. Before that date decisions of the State courts were reviewed by writs of error on which the Supreme Court of the United States determined whether or not the State law, as interpreted by the State court, violated the Federal Constitution. In 1875, however, the power of the State courts to construe State laws was impaired and diminished by the act of March 3, 1875 (18 Stat. 470) (Judicial Code, sec. 24), which conferred original jurisdiction on the Federal courts in cases arising under the Constitution, laws, and treaties of the United States.

The grant of power to the Federal courts in 1875 permitted a single Federal judge to restrain State officers and prevent the enforcement or construction of a State law whenever a complaint was brought in the Federal court alleging that the State statute violated some provision of the Federal Constitution. To acquire jurisdiction it was enough for the plaintiff to allege that there was a violation of the Federal Constitution, and so allege with sufficient plausibility to enable the Supreme Court to say that the Federal question was substantial. As a practical matter it was thus possible for the Federal courts to decide such cases under State law without even considering the Federal question presented (Chicago G. W. Ry. v. Kendall, 266 U. S. 94, 97). It was quite natural that after 1875 a large number of cases which had formerly been dealt with by State courts came before the Federal courts, with the result that a single Federal judge was permitted to restrain State officers from enforcing the statutes and to effectively prevent the construction of State statutes by the courts of the State itself.

In 1910, Congress enacted section 266 of the Judicial Code (36 Stat. 539, 557) (United States Code, title 28, section 380), which curbed the powers of the Federal courts to some extent. Under this enactment the power of a single judge to set aside State legislation was taken away, and it was provided that no application for an interlocutory injunction should be granted unless a majority of three judges concurred. "This was a compromise between the wish on the part of the House to deprive the Federal courts entirely of this jurisdiction, and the insistence of the Senate to the contrary." (41 Harvard Law Review 625.)

We know of no sound reason why the Federal courts should be permitted to construe and interpret regulatory commission orders and restrain such commissions where the State procedure affords to the public utilities a plain, speedy, and adequate remedy by granting to the courts of the State an opportunity to independently review the commissions' orders on both the law and the facts. State regulatory orders are State statutes under the decisions of the United States Supreme Court, and it is logical that they should first be construed by the State courts. This practice would insure uniformity of construction. In *Gilchrist v. Interborough Rapid Transit Co.* (1928) 279 U. S. 159, the Supreme Court recognized the desirability of permitting State courts to first determine questions of State law. Under Federal court practice injunctions are frequently issued upon affidavits, and the issues generally determined upon a record which is wholly or in part different from the record which was made before the State regulatory commission. The Federal court tries the matter de novo and as of a date later than the date of the regulatory commission order. The practice of a trial de novo in the Federal court results in great delay and unnecessary cost to the various State commissions and other parties. Not infrequently many years' time is required for the trial of a case before a master in the Federal court.

To accomplish the desired reform which has been discussed hereinabove, section 24 of the Judicial Code should be amended in the following form:

Section 24 of the Judicial Code, as amended by the act approved March 3, 1911 (36 Stat. 1091), is hereby amended by the insertion at the end of the first paragraph thereof the provision following:

Notwithstanding the foregoing provisions of this paragraph no district court of the United States or judge thereof shall have jurisdiction to entertain any bill of complaint to enjoin, suspend, or restrain the enforcement, operation, or execution of any order affecting the rates to be charged by a public utility, not interfering with interstate commerce, made by an administrative board or commission of any State when acting under and pursuant to the statutes of such State, on the ground of the unconstitution-